

**CITY OF WINTER SPRINGS
FLORIDA**



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2013**



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City of Winter Springs, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended September 30, 2013



Prepared by:

Finance and Administrative Services Department

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INTRODUCTORY SECTION

This section contains the following subsections:

- Table of Contents
- Letter of Transmittal
- GFOA Certificate of Achievement
- List of Principal Officials
- Organizational Chart

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CITY OF WINTER SPRINGS, FLORIDA

1126 EAST STATE ROAD 434
WINTER SPRINGS, FLORIDA 32708-2799
Telephone (407) 327-1800

March 17, 2014

To the Honorable Mayor, City Commission and Citizens of the City of Winter Springs, Florida:

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and that they be audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, it is with great pleasure that we present to you the City of Winter Springs, Florida Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2013.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Winter Springs has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Winter Springs' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefit, the City of Winter Springs' comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, to the best of our knowledge and belief, we assert that this financial report is complete and reliable in all material respects.

The City of Winter Springs' financial statements have been audited by McDirmit, Davis & Company, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Winter Springs for the fiscal year ended September 30, 2013 are free of material misstatement. The independent audit involved examination of evidence, on a test basis, supporting the amounts and disclosures in the financial statements; assessment of the accounting principles used and significant estimates made by management; and an evaluation of the overall financial statement presentation. Based upon the audit, the independent auditor concluded that reasonable basis existed to render an unqualified opinion that the City of Winter Springs' financial statements for the fiscal year ended September 30, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The City of Winter Springs' Management's Discussion and Analysis (MD&A) can be found immediately following the report of the independent auditors and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Winter Springs, incorporated in 1959, is located in Seminole County, which is a part of the greater Orlando metropolitan area in East Central Florida. This area is one of the fastest growing areas in the country. The City currently has a land area of 14.81 square miles and a population of approximately 34,000.

The City operates according to a Council/Manager form of government, with an appointed City Manager, five elected City Commissioners and a separately elected Mayor. The Mayor and Commission are elected for four-year terms. The governing body is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City's Manager, Clerk and Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing body, for overseeing the day-to-day operations of the government, and for hiring the directors of the various departments.

The City of Winter Springs provides a full range of services, including police protection; the construction and maintenance of highways, streets and other infrastructure; and recreational activities and cultural events. The City maintains both a Water and Sewer Utility, a Stormwater Utility, and a Development Services Fund, which function, in essence, as departments of the City of Winter Springs and therefore have been included as an integral part of the City of Winter Springs' financial statements.

The annual budget serves as the foundation for the City of Winter Springs' financial planning and control. All departments of the City of Winter Springs are required to submit requests for appropriation to the City Manager. The City Manager then uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Commission for review on or before July 1. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund (e.g., General Fund), department (e.g., Police Department) and division (e.g., Criminal Investigation). The City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the City Commission. Original and final amended budget-to-actual comparisons are provided in this report for each individual governmental fund. For the General Fund, the Road Improvements Fund and the Solid Waste/Recycling Fund, these comparisons are presented on pages 26-29 as part of the basic financial statements for the governmental funds. For other governmental funds these comparisons are presented in the governmental fund subsection of this report which starts on page 80.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Winter Springs operates.

Local economy. The City of Winter Springs is primarily a residential area with a small amount of retail, office and light industrial developments. Approximately 87% of the City's tax base is comprised of residential properties. Per the DR 422 (Certificate of Final Taxable Value) and relative to the 2012-2013 fiscal year (tax year 2012), the gross taxable value reflects a decrease of 1.44% from the prior year but an increase of 15% since fiscal year 2004. During fiscal year 2012-2013 (tax year 2012), despite declining property values, the City was able to reduce operating to and maintain voted debt millage rates at 2.43 and 0.1100 mills, respectively.

The City's population has increased 4.7% from that of ten years ago. Local indicators are reflecting an increase in the real estate market, recovering construction market and stabilizing consumer spending levels. The economic recovery has not yet impacted the City's revenues due primarily to the lag between increased real estate sales/prices and increased tax valuations. At the local level, revenues such as review and permit fees, investment income and state sale revenues have begun to rebound slowly. The City has mitigated the effect of losses in revenues with reduced expenditures, constrained hiring and/or project delays and the use of reserves for capital.

Winter Springs can boast about the great neighborhood schools. Winter Springs High School is a 5 Star School and ranked in the top 4% nationally by Newsweek. For the 11/12 school year, 4 of 5 the elementary and middle schools were awarded an A on State FCAT score results. Winter Springs is also home to Choices in Learning Charter School and Bridges Academy offering choices in education. Nearby Seminole State College and University of Central Florida offer our community an affordable and excellent

higher education choice. Winter Springs continues its partnership with the UCF Incubator to look at ways to make a positive investment into our business community. We have also partnered with Seminole County in the Community Redevelopment Agency to build out neighborhood improvements at Shepard Road, part of the 17-92 corridor redevelopment. This project is funded through a waiver of ad valorem taxes by way of repayment of ad valorem paid to the county.

Long-term financial planning. The City Commission updated and adopted a 5-year Capital Improvements Plan (CIP) on December 10, 2012 for fiscal years 2013 through 2018. The CIP is currently being evaluated and updated through Fiscal Year 2019. The CIP is a multi-year prioritized schedule of improvements that lists each capital improvement by the year it is intended to be purchased or commenced; the amount to be spent per year; and the method of financing such improvement. Each year during the annual budget process the CIP is reviewed to ensure incorporation of all necessary capital improvements. It should be noted; however, that the CIP is not a static document but a flexible and dynamic one that may change to reflect changing priorities, opportunities, costs, or financing approach.

Relevant Financial Policies. In fiscal year 2012, the city implemented Government Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. This resulted in the closing and consolidation of a number of funds classified as special revenue funds. The Public & Communications Service Tax fund, formerly reported as a major fund of the city has been closed and all fund balance and activities for FY11 have been recorded in the General Fund. Other funds that have been closed include Medical Transport Services, HOA Projects – Streetlighting and Signage Fund, Veterans’ Memorial Fund, HOA Projects (Non-escrow), and the Fire Assessment Fund which have all been closed to the General Fund. The Emergency and Disaster Relief Fund and Storm Reserve Fund are now components of the Solid Waste Fund, a major governmental fund.

Implementation of Zero-Based Budgeting represented a major change in the fiscal year 2010 model and continued into fiscal year 2011 as compared to incremental budgeting used in prior fiscal years. There are three fiscal policies that are utilized when preparing and adopting the City’s annual budget. The first policy is to maintain an Unassigned General Fund balance not less than 25% of the total operating expenses of the General Fund, excluding capital outlay and debt. By a super-majority vote of the Commission, supplemental appropriation from Unassigned General Fund balance may be authorized by the Commission for a General Fund purpose which may potentially reduce the *Unassigned General Fund balance which would be restored to, at least, the minimum in the following year’s budget*. This fund balance philosophy carries over to the Water and Sewer Utility, Stormwater Utility and Development Services. Some funds such as special revenues, debt service and capital projects exist for very specific purposes; as such, the fund balance is restricted or committed by nature of the fund and the Commission. The potential for unforeseen expenditures is very low. In such case, the budget serves as the sole constraint. The second fiscal policy is that sufficient recurring revenues exist to pay for all recurring costs, thus avoiding the use of non-recurring revenues and fund balance to fund recurring costs. The final fiscal policy is that sufficient recurring and non-recurring revenues are available to fund non-recurring costs.

Major Initiatives. During fiscal year 2013, as approved during the budget process, the City anticipates the continued efforts for improving our City services and amenities by means of the following projects:

- The City of Winter Springs launched an initiative to create a comprehensive economic development work plan. The plan which included the hiring of a Director of Economic Development, will focus on growing and diversifying commercial revenue streams and attracting and expanding new primary sector employers.
- Software upgrade or implementation of a new ERP system to allow enhanced customer service capabilities such as e-billing.
- Completion of the Lake Jessup water augmentation project creating greater capacity to provide reclaimed water to our residents.

Awards and Acknowledgements

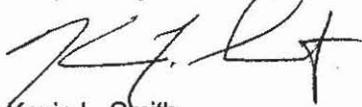
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Winter Springs for its CAFR for the fiscal year ended September 30, 2012. This was the thirteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently-organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement program requirements and will be submitting it to the GFOA to determine its eligibility for another fiscal year.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members the department who assisted and contributed to its preparation. Other City departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Appreciation must also be expressed to the City's auditors whose suggestions and attention to detail enhanced the quality of this report.

In closing, we would also like to express appreciation to the Mayor and the City Commission for their support and for maintaining high standards of professionalism in management of the City of Winter Springs' finances.

Respectfully submitted,



Kevin L. Smith
City Manager



Shawn D. Boyle
Finance and Administrative Services Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Winter Springs
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

CITY OF WINTER SPRINGS, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2013

ELECTED OFFICIALS

MAYOR	Charles Lacey
DEPUTY MAYOR / COMMISSIONER	Cade Resnick
COMMISSIONER	Jean Hovey
COMMISSIONER	Rick Brown
COMMISSIONER	Pam Carroll
COMMISSIONER	Joanne M. Krebs

CITY MANAGER

Kevin L. Smith

CITY CLERK

Andrea Lorenzo-Luaces

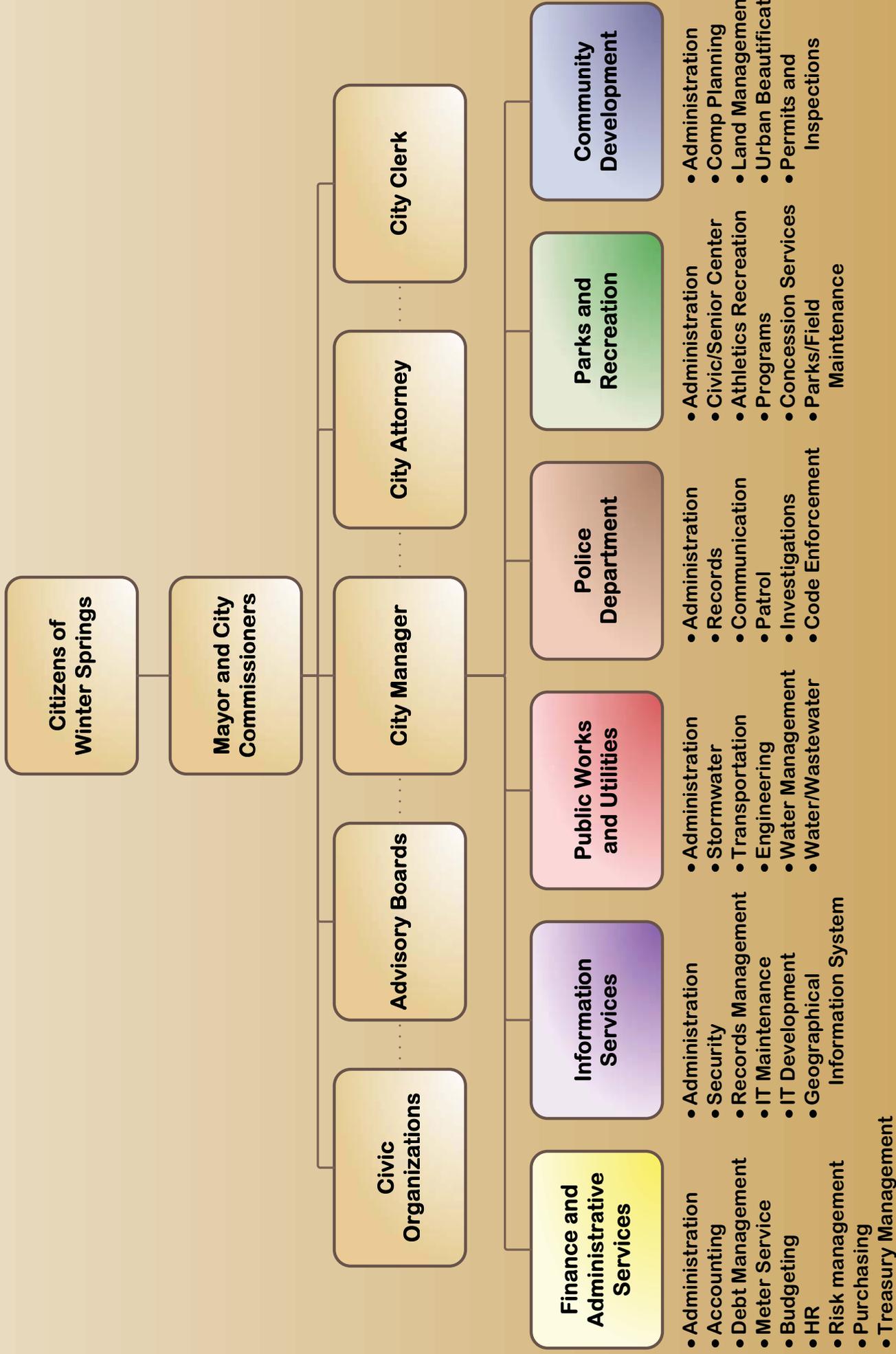
LEGAL COUNSEL

Anthony Garganese
Brown, Garganese, Weiss
& D'Agresta, P.A.

**DEPARTMENT
DIRECTORS**

COMMUNITY DEVELOPMENT	Randy Stevenson
FINANCE/ADMIN SERVICES	Shawn Boyle
INFORMATION SERVICES	Joanne Dalka
PARKS AND RECREATION	Chris Caldwell
POLICE CHIEF	Kevin Brunelle
UTILITY/PUBLIC WORKS	Kipton Lockcuff

City of Winter Springs Organizational Chart



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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Winter Springs, Florida*, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

City of Winter Springs' management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Winter Springs, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, road improvements special revenue fund, and solid waste/recycling special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

MCDIRMIT DAVIS & COMPANY, LLC

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TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, pension and other postemployment benefits disclosures on page 3 through 17, 80, and 76 through 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise *City of Winter Springs'* basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules and statistical section are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 13, 2014 on our consideration of *City of Winter Springs'* internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering *City of Winter Springs'* internal control over financial reporting and compliance.

McDiernit Davis & Company, LLC

March 13, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Winter Springs we offer readers of the City of Winter Springs' financial statements this narrative overview and analysis of the financial activities of the City of Winter Springs for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found on pages iv - vii of this report.

Financial Highlights

- The assets and deferred outflows of the City of Winter Springs exceeded its liabilities at the close of the most recent fiscal year by \$94,198,772 (net position). Of this amount, \$19,328,297 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$2,984,935 or 3%.
- As of the close of the current fiscal year, the City of Winter Springs' governmental funds reported combined ending fund balances of \$20,881,555. Approximately 35% of this total amount, \$7,306,407, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,497,553, or 49% of total general fund expenditures.
- The City of Winter Springs' total debt decreased by \$508,699 (1%) during the current fiscal year.

Overview of the Financial Statements

The financial statements focus on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City's accountability.

This discussion and analysis are intended to serve as an introduction to the City of Winter Springs' basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Winter Springs' finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City of Winter Springs' assets, deferred outflows of resources and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Winter Springs is improving or declining.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (Continued)

Government-wide financial statements. (Continued)

The *Statement of Activities* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Winter Springs that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Winter Springs include general government, public safety, physical environment and culture and recreation. The business-type activities of the City of Winter Springs include a Water and Sewer Utility, Stormwater Utility and Development Services.

The government-wide financial statements include only the City of Winter Springs itself (known as the *primary government*). The City of Winter Springs had no component units. The Water and Sewer Utility, the Stormwater utility, and Development Services function as departments of the City of Winter Springs, and therefore, have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 18-19 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Winter Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Winter Springs can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (Continued)

Governmental Funds. (Continued)

The City of Winter Springs maintains 25 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Road Improvements Special Revenue Fund, Solid Waste/Recycling Special Revenue Fund, and TLBD Debt Service Fund, all four of which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Winter Springs adopts an annual appropriated budget for all governmental funds. Budgetary comparison statements have been provided for the General Fund, Road Improvements Special Revenue Fund, and Solid Waste/Recycling Special Revenue Fund to demonstrate compliance with this budget on pages 26-29. Budgetary comparison schedules have been provided for the TLBD Debt Service Fund and the nonmajor funds on pages 80 and 93-113.

The basic governmental fund financial statements can be found on pages 20-25 of this report.

Proprietary funds. The City of Winter Springs maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Winter Springs uses enterprise funds to account for the Water and Sewer Utility, Stormwater Utility and Development Services department.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Utility, Stormwater Utility, and Development Services.

The basic proprietary fund financial statements can be found on pages 30-33 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Winter Springs' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 34-35 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-75 of this report.

Required Supplementary Information (RSI). RSI can be found on pages 76-80 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Notes to Financial Statements. Combining and individual fund statements and schedules can be found on pages 81-113 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Winter Springs, assets and deferred outflows of resources exceeded liabilities by \$94,198,772 at the close of the most recent fiscal year.

Of the City of Winter Springs' net position (\$65,439,386 or 69%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related outstanding debt used to acquire those assets. The City of Winter Springs uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City of Winter Springs' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position subject to external restrictions as to how it may be used total \$9,431,089 (10%). The remaining balance of *unrestricted net position* (\$19,328,297 or 21%) may be used to meet the government's ongoing obligations to citizens and creditors.

At September 30, 2013, the City of Winter Springs is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. This was also the case at the close of the prior fiscal year.

The following table reflects the condensed *Statement of Net Position* for the current and prior year. For more detail see the *Statement of Net Position* on page 18.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

**City of Winter Springs
Statement of Net Position
As of September 30**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Assets:						
Current and other assets	\$ 27,917,604	\$ 27,435,582	\$ 11,768,260	\$ 9,534,171	\$ 39,685,864	\$ 36,969,753
Restricted assets	415,024	277,887	732,561	730,823	1,147,585	1,008,710
Capital assets	58,531,317	58,670,564	38,334,482	37,861,911	96,865,799	96,532,475
Total assets	86,863,945	86,384,033	50,835,303	48,126,905	137,699,248	134,510,938
Deferred outflows of resources						
Deferred charge on refunding	\$ 135,945	\$ -	\$ 653,734	\$ -	\$ 789,679	\$ -
Liabilities:						
Current liabilities	1,091,424	1,070,630	488,119	873,012	1,579,543	1,943,642
Long term liabilities	18,963,583	19,266,875	22,626,639	20,924,537	41,590,222	40,191,412
Other liabilities	415,024	277,887	705,366	672,856	1,120,390	950,743
Total liabilities	20,470,031	20,615,392	23,820,124	22,470,405	44,290,155	43,085,797
Net position:						
Net investment in capital assets	44,710,711	40,328,075	20,728,675	20,936,579	65,439,386	61,264,654
Restricted	8,963,434	8,304,692	467,655	506,937	9,431,089	8,811,629
Unrestricted	12,855,714	17,135,874	6,472,583	4,212,984	19,328,297	21,348,858
Total net position	\$ 66,529,859	\$ 65,768,641	\$ 27,668,913	\$ 25,656,500	\$ 94,198,772	\$ 91,425,141

Statement of Changes in Net Position. The following table reflects the *Statement of Changes in Net Position* for the current and prior year. For more detailed information see the *Statement of Activities* on page 19.

Note that the government's total net position increased by \$2,984,935 or 3% in fiscal year 2013. The previous fiscal year, 2012, net position increased by \$4,275,448.

Governmental activities increased net position by \$834,193 in fiscal year 2013 compared to an increase of \$279,911 in 2012. The increase in net position is primarily due to realization of 2013 impact fee revenues without a commensurate realization of capital projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

Statement of Changes in Net Position. (Continued)

Business-type activities increased net position by \$2,150,742 in fiscal year 2013 compared to an increase of \$3,995,537 in 2012. This is primarily the result of the Water Sewer Utility Fund (\$1,477,000) and results from contributed capital (\$897,000) and grant revenues (\$141,000). In fiscal year 2012 grant revenues exceeded that of fiscal year 2013 by \$476,000. User charges and connection fees decreased due to reduced consumption and a change in accounting treatment of year-end revenue. This decision has a non-recurring deflationary effect on fiscal year 2013 revenues. The increase in net position from the Stormwater Utility and Development Services Funds came as a result of contributed capital (\$591,000) and continued robust activity in building/permitting revenues, respectively.

Following the *Changes in Net Position* table is a series of bar and pie charts that relay in pictorial form the revenues and expenses for each of the governmental and business-type activities as well as the revenue "source" for each.

Additional information regarding the changes in fund balance of the governmental and business-type activities can be found in the section entitled **Financial Analysis of Government's Funds** on page 12.

Note that the first graph depicts governmental program-specific revenues and expenses. For this graph the revenue does not include property taxes, utility taxes, business tax receipts, intergovernmental revenue, investment income or miscellaneous revenue. This chart is intended to show the amount of program expenses funded by *specific* program revenues.

Note that the Development Services Fund shows direct revenues approximately equal to direct expenses excluding the allocation of overhead as transfers out. Increase in water and sewer revenues are due in part to increased consumption and rates and decreases in operational expenditures and the refinancing of debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

Statement of Changes in Net Position. (Continued)

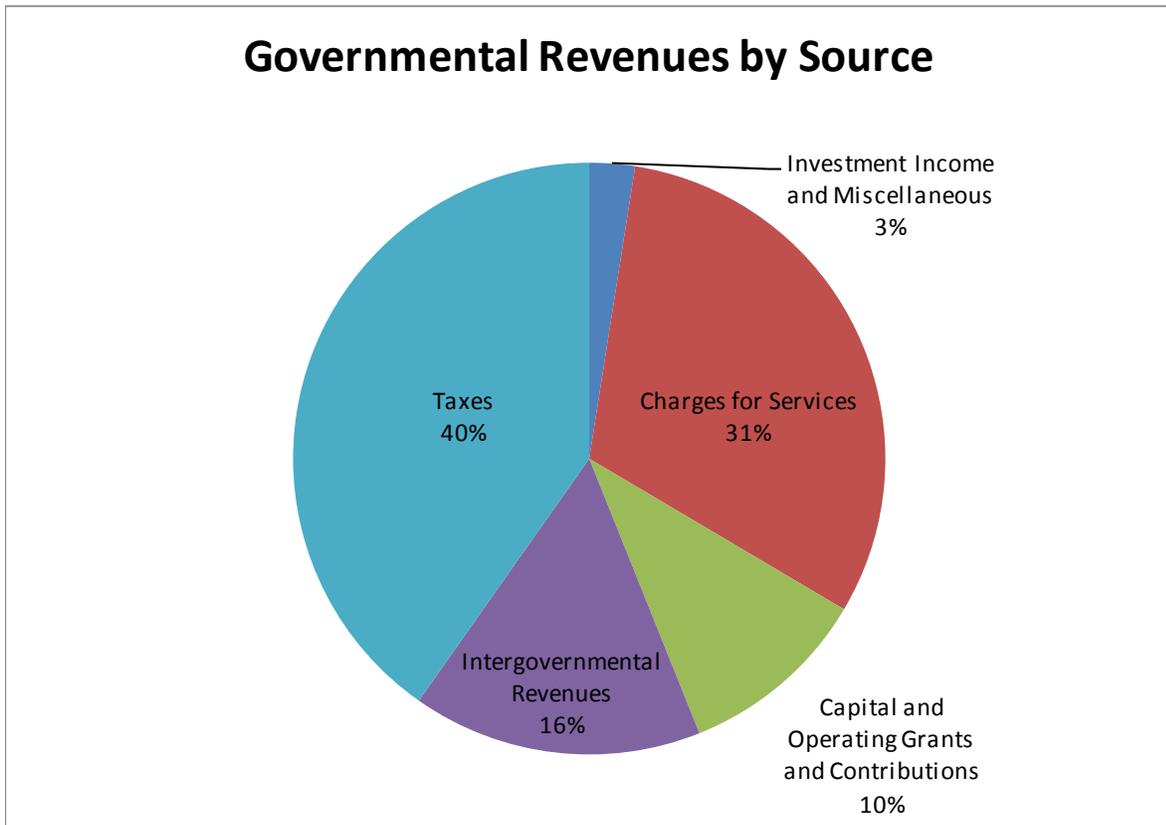
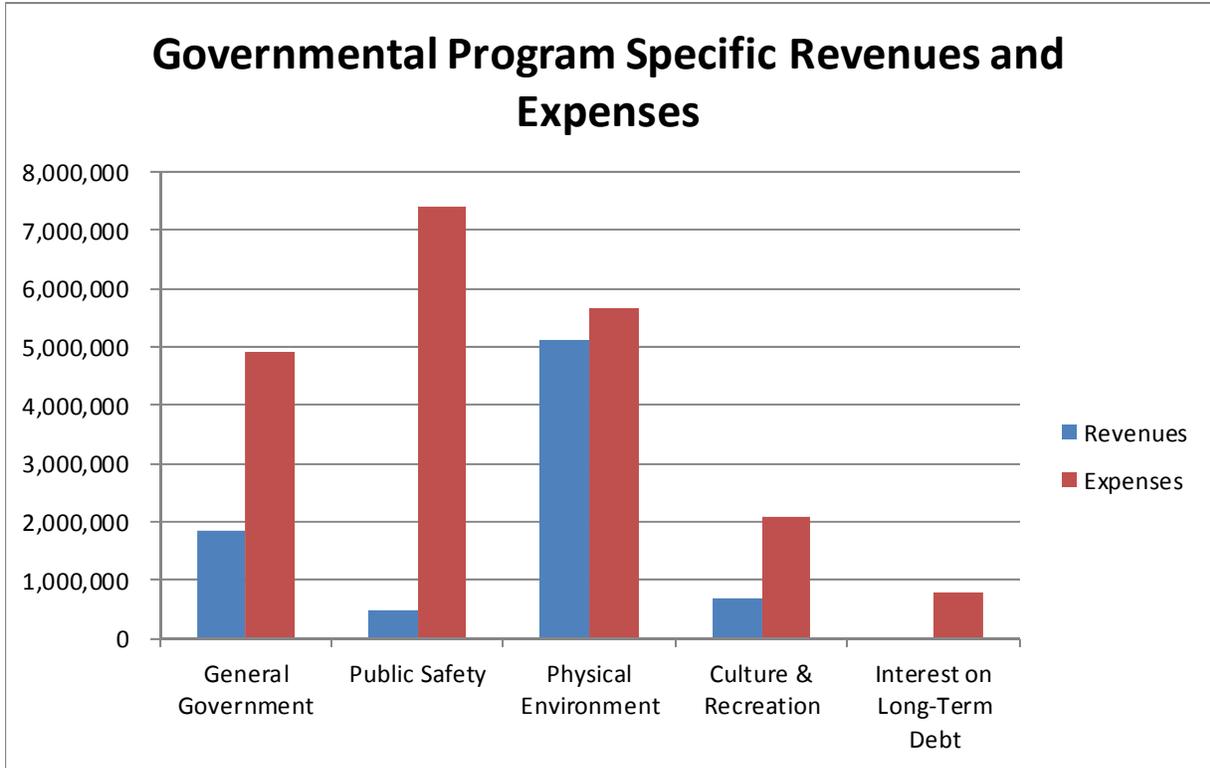
**City of Winter Springs
Changes in Net Position
For the Year Ended September 30**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 6,076,393	\$ 6,004,916	\$ 10,634,861	\$ 11,580,002	\$ 16,711,254	\$ 17,584,918
Operating grants and contributions	-	220,516	-	-	-	220,516
Capital grants and contributions	2,042,887	1,056,152	2,062,483	2,225,889	4,105,370	3,282,041
General revenues:						
Property taxes	3,852,812	3,901,329	-	-	3,852,812	3,901,329
Utility taxes	3,923,336	3,963,093	-	-	3,923,336	3,963,093
Business tax receipts	108,849	105,506	-	-	108,849	105,506
Intergovernmental-unrestricted	3,099,562	3,044,338	-	-	3,099,562	3,044,338
Investment income and miscellaneous	487,682	573,145	87,571	66,659	575,253	639,804
Total revenues	<u>19,591,521</u>	<u>18,868,995</u>	<u>12,784,915</u>	<u>13,872,550</u>	<u>32,376,436</u>	<u>32,741,545</u>
Expenses:						
General government	4,902,507	5,069,446	-	-	4,902,507	5,069,446
Public safety	7,415,423	7,101,579	-	-	7,415,423	7,101,579
Physical environment	5,658,075	5,589,120	-	-	5,658,075	5,589,120
Culture and recreation	2,078,389	2,043,188	-	-	2,078,389	2,043,188
Interest and other fiscal charges on long-term debt	772,994	832,731	-	-	772,994	832,731
Water and sewer	-	-	7,039,986	6,512,188	7,039,986	6,512,188
Development services	-	-	369,454	341,739	369,454	341,739
Stormwater	-	-	1,154,673	976,106	1,154,673	976,106
Total expenses	<u>20,827,388</u>	<u>20,636,064</u>	<u>8,564,113</u>	<u>7,830,033</u>	<u>29,391,501</u>	<u>28,466,097</u>
Increase (decrease) in net position before transfers	<u>(1,235,867)</u>	<u>(1,767,069)</u>	<u>4,220,802</u>	<u>6,042,517</u>	<u>2,984,935</u>	<u>4,275,448</u>
Transfers	<u>2,070,060</u>	<u>2,046,980</u>	<u>(2,070,060)</u>	<u>(2,046,980)</u>	<u>-</u>	<u>-</u>
Increase in net position	<u>834,193</u>	<u>279,911</u>	<u>2,150,742</u>	<u>3,995,537</u>	<u>2,984,935</u>	<u>4,275,448</u>
Net position- October 1	65,768,641	65,488,730	25,656,500	21,660,963	91,425,141	87,149,693
Restatement of Net Position	<u>(72,975)</u>	<u>-</u>	<u>(138,329)</u>	<u>-</u>	<u>(211,304)</u>	<u>-</u>
Net position- September 30	<u>\$ 66,529,859</u>	<u>\$ 65,768,641</u>	<u>\$ 27,668,913</u>	<u>\$ 25,656,500</u>	<u>\$ 94,198,772</u>	<u>\$ 91,425,141</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

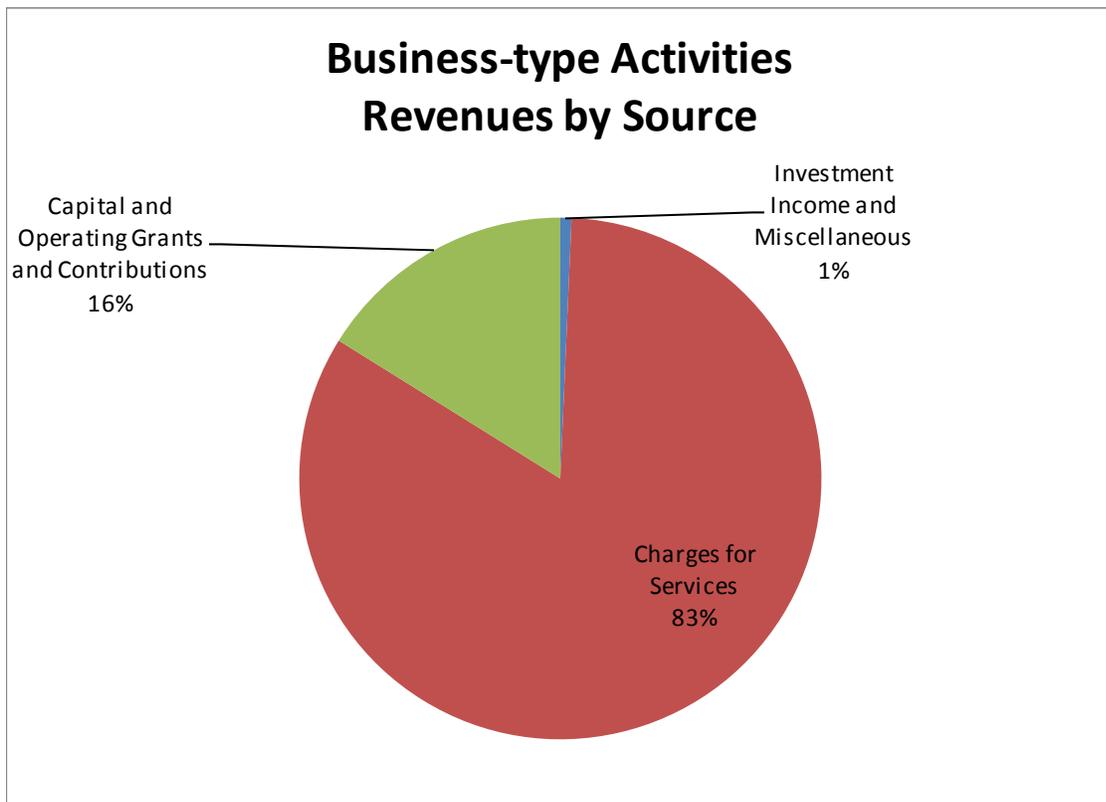
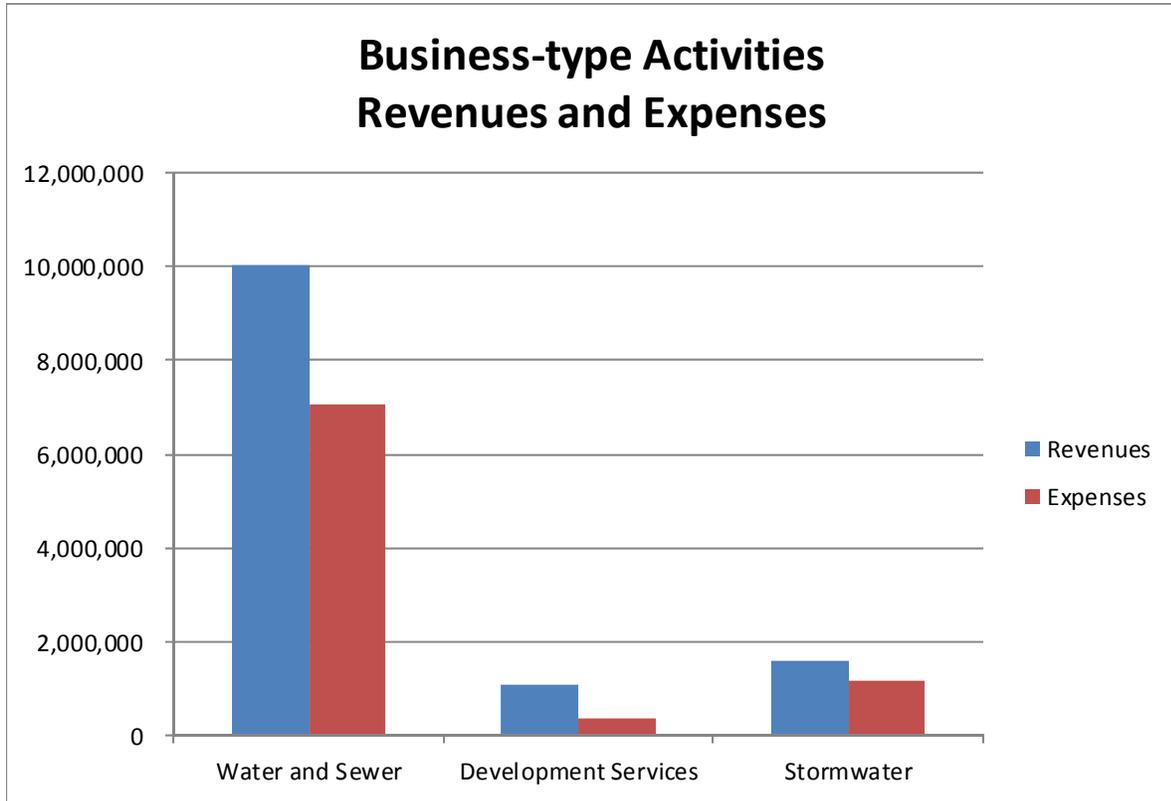
Statement of Changes in Net Position. (Continued)



MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

Statement of Changes in Net Position. (Continued)



MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

As noted earlier, the City of Winter Springs uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Winter Springs' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Winter Springs' financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2013, the City of Winter Springs' governmental funds reported combined ending fund balances of \$20,881,555, an increase of \$600,276 over the prior year. Approximately 35% or \$7,306,407 of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been committed for such purposes as debt service, capital projects, inventories and prepaid costs.

The general fund is the chief operating fund of the City of Winter Springs. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,497,553, while total fund balance was \$8,487,755. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represents 49 and 56% respectively, of total General Fund expenditures. The decrease in fund balance of \$344,000 was less than the budgeted decrease to cover the cost of nonrecurring capital expenditures of \$647,000.

Proprietary Funds. The City of Winter Springs' proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the Water and Sewer Utility Fund at the end of the year amounted to \$5,539,020 and total net position increased \$1,477,258 to \$19,265,388. This increase is due to capital contributions of \$897,000 and grant revenues of \$141,000. Additionally, this fund continues to reap the benefits of numerous efficiencies that were employed in recent years.

The Development Services Fund net position increased \$380,443 to \$144,262 at the end of the fiscal year. New construction permits began to pick up in fiscal year 2012 and continued into fiscal year 2013. As a result, in fiscal year 2013 this fund was able to relieve an internal loan from the General Fund which it had been carrying from the real estate slump in prior years.

The Stormwater Utility Fund net position increased \$293,041 to \$8,259,263 at the end of the fiscal year. The increase results from capital contributions relative to donations of Stormwater infrastructure from new construction.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

Differences between the original General Fund budget and the final amended General Fund budget resulted in \$303,584 more in appropriations from fund balance during the year from an appropriation from fund balance of \$343,327 in the original budget to appropriations from fund balance of \$646,911 in the final budget. The increase in budgeted appropriations is primarily due to a purchase order rollover from FY 2012 for the purchase of police vehicles and related equipment (\$293,675).

The actual results of General Fund for the year show an appropriation from fund balance of \$344,217 compared to a final budgeted appropriation from fund balance of \$646,911. The favorable variance of \$302,694 results from savings in non-payroll related operating accounts per the Department list below:

Executive & Legislative	\$ 14,032
General Government	43,151
Finance & Admin Services	85,527
Information Services	11,511
Community Development	70,248
Police	43,086
Public Works	41,203
Parks & Recreation	<u>71,868</u>
Total	<u>\$ 380,626</u>

The overall revenues and payroll variances were slightly unfavorable at \$82,000 and \$14,000, respectively and the capital variance somewhat favorable at \$19,000.

The comparison of budgeted results to actual results for the General Fund is shown on pages 26-27.

Capital Asset and Debt Administration

Capital assets. The City of Winter Springs' investment in capital assets for its governmental and business-type activities as of September 30, 2013, amounts to \$96,865,799 (net of accumulated depreciation), for an increase of \$333,324 over the prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment, intangibles, park facilities, roads, highways, and bridges. The total increase in the City of Winter Springs' investment in capital assets for the current fiscal year was 0.35% (a 0.24% decrease for governmental activities, and a 1.25% increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- The completion and capitalization of the following projects:
 - Purchase of new vehicles for the Police Department at a cost of \$316,690;
 - Purchase and installation of "green" light structure sports lighting system at a cost of \$250,000 (reimbursed at 100% by an EECBG State Department of Energy Grant);
 - North Village sidewalk at a cost of \$240,792 (reimbursed by a CDBG grant);
 - Street resurfacing at a cost of \$331,170;

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration (Continued)

Capital assets. (Continued)

- Sewer relining in the amount of \$195,345;
 - Various other Stormwater improvements totaling \$296,443 (\$56,248 was spent in prior years);
 - Construction of the Lake Jesup water augmentation facility at a cost of \$406,830 (\$2,346,000 was spent in prior years);
 - Central Winds Park Stormwater improvements at a cost of \$240,195 (\$56,000 was spent in prior years);
 - Construction of Michael Blake Boulevard linking State Road 434 to Winter Springs Village at a cost of \$61,396 (\$571,000 was spent in prior years).
- Continued progress on the following projects:
 - New World software implementation at a cost of \$246,752.

Additional information on the City of Winter Springs' capital assets can be found in Note 7 on pages 56-58 of this report.

**City of Winter Springs
Capital Assets (Net of Depreciation)
As of September 30**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land	\$ 9,946,795	\$ 9,959,395	\$ 7,170,177	\$ 7,170,177	\$ 17,116,972	\$ 17,129,572
Buildings	7,684,649	8,144,607	188,153	214,270	7,872,802	8,358,877
Improvements other than buildings	7,298,722	7,720,613	30,103,312	27,316,000	37,402,034	35,036,613
Machinery and equipment	1,334,506	1,304,436	571,562	577,282	1,906,068	1,881,718
Intangibles	182,413	236,862	105,524	9,921	287,937	246,783
Infrastructure	31,541,167	30,004,397	-	-	31,541,167	30,004,397
Construction in progress	543,065	1,300,254	195,754	2,574,261	738,819	3,874,515
Total	\$ 58,531,317	\$ 58,670,564	\$ 38,334,482	\$ 37,861,911	\$ 96,865,799	\$ 96,532,475

Long-term debt. At September 30, 2013, the City of Winter Springs had total debt outstanding of \$41,590,222, an increase of \$1,399,061 from \$40,191,161 at September 30, 2012. Total *bonded* debt of the City at the end of the current fiscal year was \$13,898,161, for a decrease of \$700,000 over the prior year. This amount does not include accreted interest of \$8,084,913.

The City of Winter Springs' bonded debt represents bonds and notes secured solely by specified revenue sources (i.e., revenue bonds and notes).

There are no limitations placed on the amount of debt the City may issue either by the City's charter, code of ordinances or by the Florida State Statutes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration (Continued)

Long-term debt. (Continued)

Additional information on the City of Winter Springs' long-term debt can be found in Note 8 on pages 58-63 of this report.

City of Winter Springs						
Long Term Debt						
As of September 30						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Improvement Refunding Revenue Bonds, Series 1999	\$ 3,498,970	\$ 3,498,970	\$ -	\$ -	\$ 3,498,970	\$ 3,498,970
Water & Sewer Refunding Revenue Bonds, Series 2000	-	-	5,669,191	5,669,191	5,669,191	5,669,191
Improvement Refunding Revenue Bonds, Series 2003	4,730,000	5,430,000	-	-	4,730,000	5,430,000
Capital Improvement Revenue Note, Series 2006	114,959	141,890	-	-	114,959	141,890
Revenue Refunding Note Series 2011	1,204,160	1,353,398	-	-	1,204,160	1,353,398
Special Assessment Revenue Notes, Series 2011	1,735,122	1,765,000	-	-	1,735,122	1,765,000
Limited General Obligation Note, Series 2012	2,638,521	2,739,107	-	-	2,638,521	2,739,107
Revenue Refunding Note Series 2011A	-	-	6,778,750	7,629,676	6,778,750	7,629,676
Revenue Refunding Note Series 2011B	-	-	721,065	792,377	721,065	792,377
Revenue Refunding Note Series 2011C	-	-	3,397,010	3,730,050	3,397,010	3,730,050
State Revolving Fund Loan	-	-	1,711,448	-	1,711,448	-
Accreted Interest Payable	4,003,092	3,596,775	4,081,821	3,632,729	8,084,913	7,229,504
Compensated Absences	726,850	632,710	194,367	156,846	921,217	789,556
Other Post Employment Benefits	277,090	218,701	90,910	71,048	368,000	289,749
Adjustments for Issuance Discounts and Deferred Refunding Costs	34,819	(109,676)	(17,923)	(757,631)	16,896	(867,307)
Total	\$ 18,963,583	\$ 19,266,875	\$ 22,626,639	\$ 20,924,286	\$ 41,590,222	\$ 40,191,161

Economic Factors and Next Year's Budgets and Rates

Winter Springs is primarily a residential community serving more than 34,000 residents and is just 15 miles north of the City of Orlando, one of Florida's largest metropolitan statistical areas. Winter Springs was also recognized by Money Magazine in 2011 as one of our country's "Best Places to Live."

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates (Continued)

Where many municipal and county governments have raised property taxes, through conservative fiscal policies and aggressive management of the budget, the City Manager and City Commission have been able to maintain the property tax rate for the upcoming fiscal year while improving services.

Community Development is focused on a strong, strategic economic development plan to attract commercial growth within the city. Particular attention is directed to the area known as Seminole Way. With its close proximity to the University of Central Florida and Research Park, Winter Springs offers excellent opportunities for the development of high technology industries. Situated on the eastern edge of the City, Seminole Way is a strategic economic development initiative focused on attracting high value jobs and businesses to Seminole County. The State Road 417 (Central Florida GreeneWay) corridor defines the boundaries of the Seminole Way district, spanning the length of Seminole County and connecting to both Orange County's "Innovation Way" and the "Medical City" located at Lake Nona. The City has targeted this GreeneWay Interchange District (GID) for technology industry development complemented by commercial and retail establishments. It is expected to become a premier employment center with professional and high-tech office buildings, conference facilities, and hotel rooms. The City's ability to expand and diversify its tax base will be a major factor in providing additional financial resources to fund an increasing demand for services.

The city is experiencing new growth and rising property values in both the residential and commercial construction market with projects such as Jesup's Reserve, Winter Springs Village, Seven Oaks (138 Residential Units), Grandeville (244 luxury apartments), Tuskawilla Crossings (400 units) with approximately 15 acres of commercial, Southern Oaks (95 residential units) and Jesup's Landing.

Long Term Financial Planning

The total taxable assessed property value in Winter Springs increased 4.4% from for fiscal year 2013 to 2014, \$1,572,300,619 to \$1,642,169,471. In fiscal year 2014-2015 property assessed values are estimated to increase approximately 5%. The real estate market has rebounded and the City will continue to benefit from several geographic and competitive advantages. The primary factors are:

- Significant undeveloped land, both residential and commercial
- Comparatively low tax rates
- Current commercial and residential development presently under construction and in planning

The national and state economies play a key role in assessing the City's financial future. While economic changes at the state and national level often lead to reduction in tax receipts the City has remained vigilant, flexible and proactive with corresponding changes in expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Requests for Information

This financial report is designed to provide a general overview of the City of Winter Springs' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance and Administrative Services Director, 1126 East State Road 434, Winter Springs, Florida, 32708. The Comprehensive Annual Financial Report is also available at the City of Winter Springs' website located at www.winterspringsfl.org.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF NET POSITION

September 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,679,013	\$ 1,037,737	\$ 2,716,750
Investments	19,483,975	9,953,352	29,437,327
Receivables, net	3,928,501	817,205	4,745,706
Internal balances	65,598	(65,598)	-
Inventories - at cost	6,772	19,464	26,236
Prepaid costs	154,923	6,100	161,023
Restricted assets:			
Cash and cash equivalents	415,024	-	415,024
Investments	-	732,561	732,561
Pension assets	298,987	-	298,987
Receivables, long-term	2,299,835	-	2,299,835
Capital Assets			
Capital assets not being depreciated	10,489,860	7,365,931	17,855,791
Capital assets being depreciated, net of accumulated depreciation	48,041,457	30,968,551	79,010,008
Total Assets	<u>86,863,945</u>	<u>50,835,303</u>	<u>137,699,248</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	135,945	653,734	789,679
LIABILITIES			
Accounts payable and accrued expenses	902,109	216,507	1,118,616
Due to other governments	27,434	34,869	62,303
Accrued interest payable	149,196	236,743	385,939
Unearned revenues	12,685	-	12,685
Liabilities payable from restricted assets	415,024	705,366	1,120,390
Noncurrent liabilities:			
Due within one year	1,241,370	1,411,019	2,652,389
Due in more than one year	17,722,213	21,215,620	38,937,833
Total Liabilities	<u>20,470,031</u>	<u>23,820,124</u>	<u>44,290,155</u>
NET POSITION			
Net investment in capital assets	44,710,711	20,728,675	65,439,386
Restricted for:			
Capital projects	2,630,945	-	2,630,945
Debt service	328,620	15,758	344,378
Renewal and replacement	-	451,897	451,897
Physical environment	5,939,688	-	5,939,688
Public safety	64,181	-	64,181
Unrestricted	12,855,714	6,472,583	19,328,297
Total Net Position	<u>\$ 66,529,859</u>	<u>\$ 27,668,913</u>	<u>\$ 94,198,772</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF ACTIVITIES

For The Year Ended September 30, 2013

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 4,902,507	\$ 1,837,724	\$ -	\$ -	\$ (3,064,783)	\$ -	\$ (3,064,783)
Public safety	7,415,423	460,707	-	18,362	(6,936,354)	-	(6,936,354)
Physical environment	5,658,075	3,347,478	-	1,774,525	(536,072)	-	(536,072)
Culture and recreation	2,078,389	430,484	-	250,000	(1,397,905)	-	(1,397,905)
Interest on long-term debt	772,994	-	-	-	(772,994)	-	(772,994)
Total governmental activities	<u>20,827,388</u>	<u>6,076,393</u>	<u>-</u>	<u>2,042,887</u>	<u>(12,708,108)</u>	<u>-</u>	<u>(12,708,108)</u>
Business-type activities:							
Water and sewer	7,039,986	8,540,330	-	1,465,831	-	2,966,175	2,966,175
Development services	369,454	1,099,073	-	-	-	729,619	729,619
Stormwater	1,154,673	995,458	-	596,652	-	437,437	437,437
Total business-type activities	<u>8,564,113</u>	<u>10,634,861</u>	<u>-</u>	<u>2,062,483</u>	<u>-</u>	<u>4,133,231</u>	<u>4,133,231</u>
Total primary government	<u>\$ 29,391,501</u>	<u>\$ 16,711,254</u>	<u>\$ -</u>	<u>\$ 4,105,370</u>	<u>(12,708,108)</u>	<u>4,133,231</u>	<u>(8,574,877)</u>
General revenues:							
Property taxes					3,852,812	-	3,852,812
Utility taxes					3,923,336	-	3,923,336
Business tax receipts					108,849	-	108,849
Intergovernmental-unrestricted					3,099,562	-	3,099,562
Investment income and miscellaneous					453,878	87,571	541,449
Gain on sale of asset					33,804	-	33,804
Transfers					2,070,060	(2,070,060)	-
Total general revenues and transfers					<u>13,542,301</u>	<u>(1,982,489)</u>	<u>11,559,812</u>
Change in net position					834,193	2,150,742	2,984,935
Net position - beginning					65,768,641	25,656,500	91,425,141
Restatement of net position due to implementation of GASB 65					(72,975)	(138,329)	(211,304)
Net position - beginning, as restated					<u>65,695,666</u>	<u>25,518,171</u>	<u>91,213,837</u>
Net position - ending					<u>\$ 66,529,859</u>	<u>\$ 27,668,913</u>	<u>\$ 94,198,772</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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FUND FINANCIAL STATEMENTS

CITY OF WINTER SPRINGS, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2013

	<u>General Fund</u>	<u>Special Revenue</u>	
		<u>Road Improvements Fund</u>	<u>Solid Waste/Recycling</u>
Assets:			
Cash and cash equivalents	\$ 13,602	\$ 73,823	\$ 137,297
Investments	8,283,891	1,431,938	2,663,126
Receivables, net	428,395	3,494,999	4,368
Inventories, at cost	6,772	-	-
Due from other funds	9,518	-	56,080
Prepays	154,923	-	-
Special assessments receivable	-	-	-
Advances to other funds	247,439	-	-
Restricted assets:			
Cash and cash equivalents	415,024	-	-
Total assets	<u>\$ 9,559,564</u>	<u>\$ 5,000,760</u>	<u>\$ 2,860,871</u>
Liabilities and Fund Balances:			
Accounts payable	\$ 138,849	\$ 42,828	\$ 188,222
Accrued liabilities	477,817	-	-
Due to other funds	-	-	-
Due to other governments	40,119	-	-
Payable from restricted assets	415,024	-	-
Total liabilities	<u>1,071,809</u>	<u>42,828</u>	<u>188,222</u>
Deferred Inflows of Resources			
Unavailable revenue-county taxes	-	3,494,999	-
Unavailable revenue-special assessments	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>3,494,999</u>	<u>-</u>
Fund balances:			
Nonspendable	409,134	-	-
Restricted	-	1,462,933	-
Committed	-	-	1,190,375
Assigned	581,068	-	1,482,274
Unassigned	7,497,553	-	-
Total fund balances	<u>8,487,755</u>	<u>1,462,933</u>	<u>2,672,649</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,559,564</u>	<u>\$ 5,000,760</u>	<u>\$ 2,860,871</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TLBD Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 113,807	\$ 1,340,121	\$ 1,678,650
151,266	6,953,754	19,483,975
-	739	3,928,501
-	-	6,772
-	-	65,598
-	-	154,923
1,675,122	624,713	2,299,835
-	-	247,439
-	363	415,387
<u>\$ 1,940,195</u>	<u>\$ 8,919,690</u>	<u>\$ 28,281,080</u>

\$ 684	\$ 53,709	\$ 424,292
-	-	477,817
-	247,439	247,439
-	-	40,119
-	-	415,024
<u>684</u>	<u>301,148</u>	<u>1,604,691</u>

-	-	3,494,999
1,675,122	624,713	2,299,835
<u>1,675,122</u>	<u>624,713</u>	<u>5,794,834</u>

-	-	409,134
264,389	3,741,113	5,468,435
-	337,510	1,527,885
-	4,106,352	6,169,694
-	(191,146)	7,306,407
<u>264,389</u>	<u>7,993,829</u>	<u>20,881,555</u>
<u>\$ 1,940,195</u>	<u>\$ 8,919,690</u>	<u>\$ 28,281,080</u>

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CITY OF WINTER SPRINGS, FLORIDA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION**

September 30, 2013

Total fund balance, governmental funds	\$ 20,881,555
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	58,531,317
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	5,794,834
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(18,976,834)
The cumulative net pension contribution which is more than the annual required contribution is presented as an asset on the statement of net position.	298,987
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 66,529,859</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF WINTER SPRINGS, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**

For The Year Ended September 30, 2013

	<u>General Fund</u>	<u>Special Revenue</u>		<u>TLBD Debt Service</u>
		<u>Road Improvements Fund</u>	<u>Solid Waste/Recycling</u>	
Revenues:				
Taxes:				
Property taxes	\$ 3,685,949	\$ -	\$ -	\$ -
Utility taxes	3,923,336	-	-	-
Business tax receipts	108,849	-	-	-
Permits and fees	1,615,274	-	98,391	-
Intergovernmental revenues	3,461,689	351,716	91,110	-
Charges for services	620,084	-	2,223,511	-
Fines and forfeitures	99,508	-	-	-
Impact fees/assessments	-	-	-	29,878
Investment income	55,072	6,112	13,834	58,097
Miscellaneous	216,952	-	-	79,735
Total revenues	<u>13,786,713</u>	<u>357,828</u>	<u>2,426,846</u>	<u>167,710</u>
Expenditures:				
Current:				
General government	4,965,257	-	-	-
Public safety	6,817,073	-	-	-
Physical environment	940,752	-	2,351,258	4,418
Culture and recreation	1,699,405	-	-	-
Debt Service:				
Principal	-	-	-	29,878
Interest and fiscal charges	-	-	-	56,877
Capital Outlay:				
General government	37,469	-	-	-
Public safety	439,746	-	-	-
Physical environment	-	108,899	-	-
Culture and recreation	266,938	-	-	-
Total expenditures	<u>15,166,640</u>	<u>108,899</u>	<u>2,351,258</u>	<u>91,173</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,379,927)</u>	<u>248,929</u>	<u>75,588</u>	<u>76,537</u>
Other Financing Sources (Uses)				
Sale of general capital assets	-	-	-	-
Transfers in	2,143,455	-	-	-
Transfers out	(1,107,745)	-	(134,394)	(500)
Total other financing sources(uses)	<u>1,035,710</u>	<u>-</u>	<u>(134,394)</u>	<u>(500)</u>
Net Change in Fund Balances	(344,217)	248,929	(58,806)	76,037
Fund Balances - Beginning	<u>8,831,972</u>	<u>1,214,004</u>	<u>2,731,455</u>	<u>188,352</u>
Fund Balances - Ending	<u>\$ 8,487,755</u>	<u>\$ 1,462,933</u>	<u>\$ 2,672,649</u>	<u>\$ 264,389</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 166,863	\$ 3,852,812
-	3,923,336
-	108,849
33,389	1,747,054
779,768	4,684,283
14,411	2,858,006
65,683	165,191
1,350,609	1,380,487
62,364	195,479
30,995	327,682
<u>2,504,082</u>	<u>19,243,179</u>
29,513	4,994,770
101,128	6,918,201
630,361	3,926,789
2,500	1,701,905
976,755	1,006,633
316,065	372,942
318,415	355,884
43,314	483,060
607,451	716,350
11,390	278,328
<u>3,036,892</u>	<u>20,754,862</u>
<u>(532,810)</u>	<u>(1,511,683)</u>
39,855	39,855
1,278,500	3,421,955
(107,212)	(1,349,851)
<u>1,211,143</u>	<u>2,111,959</u>
678,333	600,276
<u>7,315,496</u>	<u>20,281,279</u>
<u>\$ 7,993,829</u>	<u>\$ 20,881,555</u>

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CITY OF WINTER SPRINGS, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2013

Net change in fund balances - total governmental funds: \$ 600,276

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period (859,667)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position (75,334)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items 1,006,633

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds 12,084

Special assessment revenue reported in the funds must be eliminated from the statement of activities since revenue was recognized in a prior year (426,061)

Pension expenses recorded in the statement of activities which are in excess of the annual required pension contribution are considered to be assets and not expenses of the period 333,089

Contributions of capital assets are not reported as revenues in the governmental funds 797,798

Transfers of capital assets to proprietary funds (2,044)

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds. (552,581)

Change in net position of governmental activities \$ 834,193

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WINTER SPRINGS, FLORIDA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Taxes:				
Property Taxes	\$ 3,675,339	\$ 3,675,339	\$ 3,685,949	\$ 10,610
Utility taxes	3,930,000	3,930,000	3,923,336	(6,664)
Business tax receipts	130,000	130,000	108,849	(21,151)
	<u>7,735,339</u>	<u>7,735,339</u>	<u>7,718,134</u>	<u>(17,205)</u>
Permits and fees:				
Permits	25,000	25,000	40,999	15,999
Franchise fees	1,885,000	1,885,000	1,574,275	(310,725)
	<u>1,910,000</u>	<u>1,910,000</u>	<u>1,615,274</u>	<u>(294,726)</u>
Intergovernmental revenues:				
Sales tax	1,980,000	1,980,000	1,993,958	13,958
State revenue sharing	950,000	950,000	971,703	21,703
Other state shared revenue	35,000	35,000	37,791	2,791
Other county shared revenue	-	10,171	189,875	179,704
Federal grants	-	268,362	268,362	-
	<u>2,965,000</u>	<u>3,243,533</u>	<u>3,461,689</u>	<u>218,156</u>
Charges for services:				
Program activity fees	200,000	202,000	182,078	(19,922)
Rental and other	365,120	372,154	438,006	65,852
	<u>565,120</u>	<u>574,154</u>	<u>620,084</u>	<u>45,930</u>
Fines and forfeitures	<u>125,000</u>	<u>125,000</u>	<u>99,508</u>	<u>(25,492)</u>
Investment income	<u>85,000</u>	<u>85,000</u>	<u>55,072</u>	<u>(29,928)</u>
Miscellaneous	<u>41,500</u>	<u>117,181</u>	<u>216,952</u>	<u>99,771</u>
Total revenues	<u>13,426,959</u>	<u>13,790,207</u>	<u>13,786,713</u>	<u>(3,494)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government:				
Executive	\$ 742,622	\$ 736,465	\$ 705,061	\$ 31,404
General government	756,985	404,699	361,840	42,859
Finance and administrative services	1,746,718	1,725,390	1,631,864	93,526
Information services	875,858	892,783	884,397	8,386
Community development	1,467,274	1,486,080	1,419,564	66,516
	<u>5,589,457</u>	<u>5,245,417</u>	<u>5,002,726</u>	<u>242,691</u>
Public Safety:				
Police	6,457,066	7,168,543	7,142,271	26,272
Fire	55,000	119,999	114,548	5,451
	<u>6,512,066</u>	<u>7,288,542</u>	<u>7,256,819</u>	<u>31,723</u>
Physical environment:				
Public works	964,404	972,626	940,752	31,874
Culture and recreation:				
Parks and recreation	1,803,835	2,044,684	1,966,343	78,341
Total expenditures	<u>14,869,762</u>	<u>15,551,269</u>	<u>15,166,640</u>	<u>384,629</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,442,803)</u>	<u>(1,761,062)</u>	<u>(1,379,927)</u>	<u>381,135</u>
Other Financing Sources (Uses)				
Transfers in	2,205,476	2,221,896	2,143,455	(78,441)
Transfers out	<u>(1,106,000)</u>	<u>(1,107,745)</u>	<u>(1,107,745)</u>	<u>-</u>
Net other financing sources	<u>1,099,476</u>	<u>1,114,151</u>	<u>1,035,710</u>	<u>(78,441)</u>
Net Change in Fund Balances	<u>(343,327)</u>	<u>(646,911)</u>	<u>(344,217)</u>	<u>302,694</u>
Fund Balances - Beginning	<u>8,831,972</u>	<u>8,831,972</u>	<u>8,831,972</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 8,488,645</u>	<u>\$ 8,185,061</u>	<u>\$ 8,487,755</u>	<u>\$ 302,694</u>

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CITY OF WINTER SPRINGS, FLORIDA

ROAD IMPROVEMENTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenues	\$ 1,275,000	\$ 655,000	\$ 351,716	\$ (303,284)
Investment income	6,000	6,000	6,112	112
Total revenues	<u>1,281,000</u>	<u>661,000</u>	<u>357,828</u>	<u>(303,172)</u>
Expenditures:				
Capital Outlay				
Physical environment	<u>725,000</u>	<u>387,000</u>	<u>108,899</u>	<u>278,101</u>
Total expenditures	<u>725,000</u>	<u>387,000</u>	<u>108,899</u>	<u>278,101</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>556,000</u>	<u>274,000</u>	<u>248,929</u>	<u>(25,071)</u>
Other Financing Sources (Uses)				
Transfers out	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	256,000	274,000	248,929	(25,071)
Fund Balances - Beginning	<u>1,214,004</u>	<u>1,214,004</u>	<u>1,214,004</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,470,004</u>	<u>\$ 1,488,004</u>	<u>\$ 1,462,933</u>	<u>\$ (25,071)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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CITY OF WINTER SPRINGS, FLORIDA

SOLID WASTE / RECYCLING SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Permits and fees	\$ 90,000	\$ 90,000	\$ 98,391	\$ 8,391
Intergovernmental revenues	120,000	120,000	91,110	(28,890)
Charges for services	2,362,000	2,162,000	2,223,511	61,511
Investment income	10,200	10,200	13,834	3,634
Total revenues	<u>2,582,200</u>	<u>2,382,200</u>	<u>2,426,846</u>	<u>44,646</u>
Expenditures:				
Current:				
Physical environment	<u>2,308,500</u>	<u>2,363,500</u>	<u>2,351,258</u>	<u>12,242</u>
Total expenditures	<u>2,308,500</u>	<u>2,363,500</u>	<u>2,351,258</u>	<u>12,242</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>273,700</u>	<u>18,700</u>	<u>75,588</u>	<u>56,888</u>
Other Financing Sources (Uses)				
Transfers out	<u>(180,000)</u>	<u>(180,000)</u>	<u>(134,394)</u>	<u>45,606</u>
Total other financing sources (uses)	<u>(180,000)</u>	<u>(180,000)</u>	<u>(134,394)</u>	<u>45,606</u>
Net Change in Fund Balances	93,700	(161,300)	(58,806)	102,494
Fund Balances - Beginning	2,731,455	2,731,455	2,731,455	-
Fund Balances - Ending	<u>\$ 2,825,155</u>	<u>\$ 2,570,155</u>	<u>\$ 2,672,649</u>	<u>\$ 102,494</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

September 30, 2013

	Business-type Activities - Enterprise Funds			Total
	Water and Sewer Utility Fund	Development Services Fund	Stormwater Utility Fund	
Assets				
Current assets:				
Cash and cash equivalents	\$ 461,263	\$ 7,728	\$ 44,314	\$ 513,305
Investments	8,943,916	149,889	859,547	9,953,352
Receivables, net	817,205	-	-	817,205
Inventories	19,464	-	-	19,464
Prepaid expenses	6,100	-	-	6,100
Due from other funds	-	-	16,861	16,861
Restricted cash and cash equivalents	524,432	-	-	524,432
Total current assets	10,772,380	157,617	920,722	11,850,719
Noncurrent assets:				
Restricted investments	732,561	-	-	732,561
Capital Assets:				
Land, buildings and equipment	59,517,395	164,258	11,688,190	71,369,843
Construction in Progress	127,557	-	68,197	195,754
Less Accumulated depreciation	(28,780,432)	(103,923)	(4,346,760)	(33,231,115)
Total capital assets (net of accumulated depreciation)	30,864,520	60,335	7,409,627	38,334,482
Total noncurrent assets	31,597,081	60,335	7,409,627	39,067,043
Total assets	42,369,461	217,952	8,330,349	50,917,762
Deferred Outflows of Resources				
Deferred charge on refunding	653,734	-	-	653,734
Liabilities				
Current Liabilities:				
Accounts payable	101,846	21,549	28,851	152,246
Accrued liabilities	50,156	3,861	10,244	64,261
Compensated absences - current	34,975	560	3,338	38,873
Customer deposits payable	705,366	-	-	705,366
Due to other funds	82,459	-	-	82,459
Due to other governments	-	34,869	-	34,869
Notes payable - current	1,372,146	-	-	1,372,146
Accrued interest payable	236,743	-	-	236,743
Total current liabilities	2,583,691	60,839	42,433	2,686,963
Noncurrent liabilities:				
Notes payable	11,236,127	-	-	11,236,127
Revenue bonds payable	5,651,268	-	-	5,651,268
Accreted interest payable	4,081,821	-	-	4,081,821
Compensated absences	139,900	2,238	13,356	155,494
Other noncurrent liabilities	65,000	10,613	15,297	90,910
Total noncurrent liabilities	21,174,116	12,851	28,653	21,215,620
Total liabilities	23,757,807	73,690	71,086	23,902,583
NET POSITION				
Net investment in capital assets	13,258,713	60,335	7,409,627	20,728,675
Restricted for debt service	15,758	-	-	15,758
Restricted for renewal and replacement	451,897	-	-	451,897
Unrestricted	5,539,020	83,927	849,636	6,472,583
Total net position	\$ 19,265,388	\$ 144,262	\$ 8,259,263	\$ 27,668,913

The accompanying Notes to Financial Statements are an integral part of these statements.

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CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For The Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds			
	Water and Sewer Utility Fund	Development Services Fund	Stormwater Utility Fund	Total
Operating Revenues:				
User charges	\$ 8,540,330	\$ 1,099,073	\$ 966,873	\$ 10,606,276
Other revenue	-	-	28,585	28,585
Total operating revenues	8,540,330	1,099,073	995,458	10,634,861
Operating Expenses:				
Salaries and benefits	2,029,993	205,239	537,520	2,772,752
Materials and supplies	923,128	6,420	230,127	1,159,675
Depreciation and amortization	1,775,054	10,276	312,297	2,097,627
Other operating expenses	1,027,488	147,519	74,729	1,249,736
Total Operating Expenses	5,755,663	369,454	1,154,673	7,279,790
Operating income (loss)	2,784,667	729,619	(159,215)	3,355,071
Nonoperating Revenue (Expenses):				
Investment income	41,907	-	5,441	47,348
Interest expense	(565,889)	-	-	(565,889)
Accreted interest expense	(449,092)	-	-	(449,092)
Proceeds from auction and insurance	31,216	44	8,963	40,223
Gain (loss) on disposal of capital assets	(269,342)	-	-	(269,342)
Total nonoperating revenue (expenses)	(1,211,200)	44	14,404	(1,196,752)
Income (loss) before contributions and transfers	1,573,467	729,663	(144,811)	2,158,319
Capital contributions:				
Connection fees	430,263	-	-	430,263
Capital contribution	1,037,612	-	596,652	1,634,264
Transfers in	25,432	-	-	25,432
Transfers out	(1,589,516)	(349,220)	(158,800)	(2,097,536)
Change in net position	1,477,258	380,443	293,041	2,150,742
Total net position - beginning	17,926,459	(236,181)	7,966,222	25,656,500
Restatement of net position due to implementation of GASB 65	(138,329)	-	-	(138,329)
Beginning net position - as restated	17,788,130	(236,181)	7,966,222	25,518,171
Total net position - ending	\$ 19,265,388	\$ 144,262	\$ 8,259,263	\$ 27,668,913

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For The Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds			Total
	Water and Sewer Utility Fund	Development Services Fund	Stormwater Utility Fund	
Cash Flows from Operating Activities:				
Receipts from customers	\$ 9,242,088	\$ 1,099,073	\$ 1,101,671	\$ 11,442,832
Payments to suppliers	(2,276,124)	(137,150)	(295,376)	(2,708,650)
Payments to employees	(1,941,901)	(223,232)	(528,122)	(2,693,255)
Net cash provided by operating activities	<u>5,024,063</u>	<u>738,691</u>	<u>278,173</u>	<u>6,040,927</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers in	25,432	-	-	25,432
Transfers out	(1,589,516)	(349,220)	(158,800)	(2,097,536)
Increase in due to other funds	82,459	(161,287)	(16,861)	(95,689)
Net cash provided (used) by non-capital financing activities	<u>(1,481,625)</u>	<u>(510,507)</u>	<u>(175,661)</u>	<u>(2,167,793)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from sale of capital assets	31,216	44	8,963	40,223
Acquisition of capital assets	(1,075,110)	(70,611)	(313,391)	(1,459,112)
Principal paid on revenue bonds & leases	(1,338,753)	-	-	(1,338,753)
Proceeds from notes payable	1,794,923	-	-	1,794,923
Interest paid on revenue bonds	(479,970)	-	-	(479,970)
Grant revenue	140,728	-	5,550	146,278
Connection fees	430,263	-	-	430,263
Net cash provided (used) by capital and related financing activities	<u>(496,703)</u>	<u>(70,567)</u>	<u>(298,878)</u>	<u>(866,148)</u>
Cash Flows from Investing Activities:				
Purchase of investments	(3,238,949)	(149,889)	127,825	(3,261,013)
Investment income	41,907	-	5,441	47,348
Net cash provided (used) by investing activities	<u>(3,197,042)</u>	<u>(149,889)</u>	<u>133,266</u>	<u>(3,213,665)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(151,307)	7,728	(63,100)	(206,679)
Cash and Cash Equivalents - Beginning	1,137,002	-	107,414	1,244,416
Cash and Cash Equivalents - End	<u>\$ 985,695</u>	<u>\$ 7,728</u>	<u>\$ 44,314</u>	<u>\$ 1,037,737</u>
Classified As:				
Cash and cash equivalents	\$ 461,263	\$ 7,728	\$ 44,314	\$ 513,305
Restricted cash	524,432	-	-	524,432
Total	<u>\$ 985,695</u>	<u>\$ 7,728</u>	<u>\$ 44,314</u>	<u>\$ 1,037,737</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

	Business-type Activities - Enterprise Funds			
	Water and Sewer Utility Fund	Development Services Fund	Stormwater Utility Fund	Total
Reconciliation of Operating Income(Loss) to Net Cash Provided by Operating Activities				
Operating income(loss)	\$ 2,784,667	\$ 729,619	\$ (159,215)	\$ 3,355,071
Adjustments Not Affecting Cash:				
Depreciation and amortization	1,775,054	10,276	312,297	2,097,627
Change in Assets and Liabilities:				
Decrease in accounts receivable	669,248	-	106,213	775,461
Decrease in inventories	6,107	-	-	6,107
Increase in prepaid costs	(5,701)	-	-	(5,701)
Increase (decrease) in accounts payable	(325,914)	10,605	9,480	(305,829)
Increase in due to other governments	-	6,184	-	6,184
Increase (decrease) in accrued liabilities	20,132	(38)	2,271	22,365
Increase in customer deposits	32,510	-	-	32,510
Increase (decrease) in accrued compensated absences	53,697	(19,292)	3,116	37,521
Increase in OPEB obligation	14,263	1,337	4,011	19,611
Total adjustments	<u>464,342</u>	<u>(1,204)</u>	<u>125,091</u>	<u>588,229</u>
Net Cash Provided By Operating Activities	<u>\$ 5,024,063</u>	<u>\$ 738,691</u>	<u>\$ 278,173</u>	<u>\$ 6,040,927</u>
Noncash Capital and Financing Activities:				
Contributed capital assets	\$ 894,840	\$ -	\$ 591,102	\$ 1,485,942
Net transfers of capital assets	\$ 2,044	\$ -	\$ -	\$ 2,044

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CITY OF WINTER SPRINGS, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

September 30, 2013

	Defined Benefit Pension Trust Fund
	<u> </u>
Assets:	
Cash and cash equivalents	\$ 718,075
Receivables:	
Employee contributions	12,667
Employer contributions	360,458
Total receivables	<u>373,125</u>
Investments, at fair value:	
Common funds - equity	21,747,126
Common funds - bonds	6,625,943
Other investments	2,708,272
Total Investments	<u>31,081,341</u>
Total assets	<u>32,172,541</u>
 Liabilities	 -
 Net Position:	
Held in trust for pension benefits	<u>\$ 32,172,541</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 1 - Summary of Significant Accounting Policies:

A. Reporting Entity

The *City of Winter Springs, Florida* (the City) is a political subdivision of the state of Florida located in Seminole County, and was established by the Laws of Florida 59-1614. The legislative branch of the City is comprised of a five-member elected Commission and a separately elected mayor, which is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy; the execution of such policy is the responsibility of the City Manager appointed by the Commission.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organizations' resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, management has determined that there are no component units to be included within the reporting entity.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 1 - Summary of Significant Accounting Policies (Continued):

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 1 - Summary of Significant Accounting Policies (Continued):

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)***

The government reports the following funds:

Major Governmental Funds

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road Improvements Special Revenue Fund* accounts for collected one-cent sales tax revenues restricted for use for transportation-related improvements.

The *Solid Waste/Recycling Special Revenue Fund* accounts for proceeds from billed solid waste and recycling services performed by contract vendors. Proceeds are committed to pay monthly vendor charges for providing solid waste and recycling services.

The *TLBD Debt Service Fund* was established to account for the accumulation of resources and payment of principal and interest for the 2001 special assessment bond issue which was refinanced in October 2011 with a private placement note payable.

Nonmajor Governmental Fund Types

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds account for the accumulation of resources for and the payment of principal and interest on certain general governmental obligations.

Capital Projects Funds account for financial resources segregated for the acquisition or construction of major capital facilities.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 1 - Summary of Significant Accounting Policies (Continued):

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)***

Major Proprietary Funds

The *Water and Sewer Utility Fund* is used to account for the operations of the City's water and wastewater systems, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

The *Development Services Fund* is used to account for the operations of the City's building and other permits department, where the costs, including depreciation, of providing services to the general public are financed primarily through user charges.

The *Stormwater Utility Fund* is used to account for the City's operation and maintenance of the stormwater system, where the costs, including depreciation, of providing services to the general public are financed primarily through user charges.

Fiduciary Fund

The Pension Trust Fund accounts for contributions to the defined benefit plan.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the City's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 1 - Summary of Significant Accounting Policies (Continued):

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)***

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water, sewer and stormwater utility funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments of the City are reported at fair value. The City's investments consist of investments authorized per their investment policy adopted in accordance with Section 218.415, Florida Statutes.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

2. Receivables and Payables (Continued)

All receivables are shown net of an allowance for uncollectibles. The County bills and collects property taxes and remits them to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

All property is reassessed according to its fair value on the lien date, or January 1 of each year. Taxes are levied on October 1 of each year. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. On or around May 31 following the tax year, certificates are sold for all delinquent taxes on real property.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These are recorded as expenditures when consumed rather than when purchased.

4. Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. Assets so designated are identified as restricted assets on the balance sheet.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Improvements	20-50
Infrastructure	30-50
Intangible assets	3-10
Equipment	3-10

6. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For governmental activities, compensated absences, other post-employment benefits and net pension obligation are generally liquidated by the General Fund.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

7. Long-term obligations

In the government-wide financial statements, and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts (including deep-discount or capital appreciation bonds), are deferred and amortized over the life of the bonds and notes using the effective interest method. Bonds payable and notes payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuances costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the enterprise and government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

8. Deferred outflows/inflows of resources (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: county taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

9. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted-net position is applied.

10. Fund balance flow assumption

Sometimes the city will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

11. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision making authority. The City Commission is the highest level of decision making authority for the City that can, by adoption of an Ordinance or Resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken (the adoption of another ordinance or resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The commission may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily.

12. New GASB Statements Implemented

In fiscal year 2013, the City implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement classifies all sources of generally accepted accounting principles for state and local governments so that the authoritative accounting and financial reporting literature will be together in a single source, with that guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statement users. The City elected to include all pre-November 30, 1989 FASB pronouncements which are now codified in GASB 62 which specifically identifies and consolidates the accounting and financial reporting provisions that apply to state and local governments.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

12. New GASB Statements Implemented

In fiscal year 2013, the City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides which establishes guidance for reporting deferred outflows or of resources and, deferred inflows of resources, . and net position in a statement of financial position. It further identifies net position as the residual of all elements presented in a statement of financial position. This Statement redefines certain assets and liabilities as “deferred outflows of resources” or “deferred inflows of resources.” It further requires the “Capital asset, net of debt” now be titled “Net investment in capital assets” and that the last line of the statements, previously called “Net assets” now be titled “Net position.”

In fiscal year 2013, the City implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement provides additional guidance for the items listed in GASB 63 and includes additional changes in accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This Statement requires that debt issuance costs be expensed in the period the debt was issued. This Statement also requires that taxes and lease revenues received prior to the period to which they relate to be classified as Unavailable Revenue (a deferred inflow). Changes to the government-wide statements, schedules, and related disclosures are included in Note 2 which clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

Note 2 – Accounting Changes and Restatement of Financial Statements:

The October 1, 2012 beginning net position of the following was restated due to the implementation of GASB Statements 65:

	Water and Sewer Utility Fund	Governmental Activities
	<u> </u>	<u> </u>
Net Position, October 1, 2012, previously stated	\$ 17,926,459	\$ 65,768,641
Restatement of net position due to implementation of GASB 65	<u>(138,329)</u>	<u>(72,975)</u>
Net position, October 1, 2012, restated	<u><u>\$ 17,788,130</u></u>	<u><u>\$ 65,695,666</u></u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 2 – Accounting Changes and Restatement of Financial Statements (Continued):

The October 1, 2012 beginning balances on the long term debt schedules for Governmental Activities and Business-Type Activities for deferred amounts were restated due to the implementation of GASB Statements No. 63 and No. 65 and are disclosed in Note 8- Long-Term Liabilities.

The government-wide net position balance has been adjusted via an accounting change adjustment for the write off of unamortized bond issue costs, as per the implementation of GASB Statement No. 65.

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements:

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$18,976,834) difference are as follows:

Bonds Payable	\$ (8,228,970)
Add: Issuance premium (to be amortized as interest expense)	(34,819)
Less: Deferred charge on refunding (to be amortized as interest expense)	54,755
Accreted interest payable	(4,003,092)
Notes payable	(5,692,762)
Less: Deferred charge on refunding (to be amortized as interest expense)	81,190
Accrued interest payable	(149,196)
Other post employment benefits	(277,090)
Compensated absences	(726,850)
Net adjustment to reduce fund balance- total governmental funds to arrive at net position - governmental activities	<u>\$ (18,976,834)</u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements (Continued):

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(859,657) difference are as follows:

Capital outlay	\$ 1,833,622
Depreciation expense	<u>(2,693,289)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	<u>\$ (859,667)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,006,633 difference are as follows:

Debt issued or incurred:	
Notes payable	\$ -
Principal repayment	<u>1,006,633</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position - governmental activities	<u>\$ 1,006,633</u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements (Continued):

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this (\$552,581) difference are as follows:

Compensated absences	\$ (94,140)
Amortization of loss on refunding	(15,513)
Amortization of bond discounts	6,963
Accrued interest payable	14,815
Other post employment benefits	(58,389)
Accreted interest payable	<u>(406,317)</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position - governmental activities	<u><u>\$ (552,581)</u></u>

Note 4 - Stewardship, Compliance, and Accountability:

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. The City follows these procedures set forth below in establishing the budgetary data reflected in the financial statements.

1. On or before July 1st of each year, the City Manager submits a Proposed Budget to the City Commission for the fiscal year beginning the following October 1st. The budget includes proposed revenues, expenditures and a description of capital activities for the ensuing fiscal year.
2. The City Commission then holds informal workshops, wherein the public is invited to attend.
3. On or before September 30th of each year, two public hearings are convened and the Commission establishes the ad valorem tax millage followed by the adoption of the final budget.
4. The budget may be formally amended by the City Commission at any time. Budgeted amounts presented in the accompanying financial statements have been adjusted for any legally authorized revisions of the annual budgets during the year.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 4 - Stewardship, Compliance, and Accountability (Continued):

A. Budgetary Information (Continued)

5. The City Manager is authorized to transfer budgeted amounts between accounts within a department. At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriations among programs within one department. The legal level of budgetary control is the departmental level.

B. Appropriations in Excess of Funds Available

Appropriations for the Oak Forest Debt Service Fund were in excess of anticipated revenue and prior years' fund balance.

C. Deficit Fund Equity

The Tusawilla Phase III Special revenue fund has a deficit fund balance of \$22,936 at September 30, 2013.

The Oak Forest Debt service fund has a deficit fund balance of \$168,210 at September 30, 2013.

Note 5 - Deposits and Investments:

Deposits

At year-end, the carrying amount of the City's deposits was \$3,106,292 and the bank balance was \$2,130,538. Petty cash funds of \$1,710 are not on deposit with a financial institution, and fiduciary fund cash of \$718,075 held by the pension fund is not in the City's bank. All bank deposits were covered by Federal Depository Insurance or held in banks that are members of the State of Florida's Collateral Pool as specified under Florida law. Florida Statutes provide for collateral pooling by banks and savings and loans. This limits local government deposits to "authorized depositories".

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 5 - Deposits and Investments (Continued):

Investments

The City's investment policies are governed by State Statutes and City ordinances. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the Florida Statutes. Authorized investments are:

1. Florida Local Government Surplus Funds Trust Fund Investment Pool (SBA LGIP)
2. U.S. Government securities
3. U.S. Government Agency securities
4. Federal Instrumentalities (U.S. Government sponsored agencies)
5. Interest bearing time deposit or savings accounts
6. Repurchase agreements
7. Commercial paper
8. Bankers' acceptances
9. State and/or local government taxable and/or tax-exempt debt
10. Registered investment companies (money market mutual funds)
11. Intergovernmental investment pool

The City's investment policy limits credit risk by restricting authorized investment to those described above. The policy requires that the investment in federal instrumentalities be guaranteed by the full faith and credit of the U.S. Government sponsored agency and that investments in money market mutual funds have a Standard & Poors (S & P) rating of AAm or AAm-G. Investments in commercial paper and bankers' acceptances must be rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" by S & P. Investment in state and/or local government taxable and/or tax-exempt debt must be rated at least "Aa" by Moody's and "AA" by S & P for long-term debt, or rated at least "MIG-2" by Moody's and "SP-2" by S & P for short-term debt.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The city's investment policy requires that the bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2013, all of the city's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2013, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 5 - Deposits and Investments (Continued):

Investments (Continued)

Concentration of Credit Risk

The City's investment policy requires diversification, and places limits on the percentage of funds that may be invested with an individual issuer and type of investment.

Interest Rate Risk

The policy limits investment in U.S. Government securities and agencies and federal instrumentalities to a maximum length to maturity of five years. The maximum length to maturity for an investment in any state or local government debt security is three years. Certificates of deposit maximum maturity is one year and commercial paper and bankers' acceptances are 180 days. The maximum length to maturity for repurchase agreements is 90 days.

Additional Investment Information

The SBA is not a registrant with the Securities and Exchange Commission (SEC); however, the State of Florida does provide regulatory oversight. The Board has adopted operating procedures consistent with the requirements for a 2a-7 like fund for the Florida Prime Fund. Therefore, the pool account balance can be used as fair value for financial reporting. Fund B is accounted for as a fluctuating NAVPOOL, not a 2a-7 like money market fund. It is important to note that due to the lack of an actively traded market for Fund B securities, their "fair value" is an estimate of current liquidation value that has been determined through a collaborative process among various pricing experts and sources in the marketplace.

Investments held by the City at September 30, 2013 are detailed below.

Investments	Fair Value	Credit Rating	Weighted Average Maturity
Local Government Investment Pool (Fund B)	\$ 265,281	Not rated	4.04 years
Local Government Investment Pool (Fund B)	7,699	Not rated	4.04 years
Commercial Paper	6,716,008	A-1+	89 days
Fidelity Institutional Money Market Government Portfolio	94,070	Not rated	
US Treasury Notes	15,997,429	TSY	398 days
Municipal Obligations	813,338	AA+	670 days
Federal Agency Bond Note	5,583,032	AA+	488 days
Fidelity Institutional Money Market Government Portfolio	716,803	Not rated	
	<u>\$ 30,193,660</u>		

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 5 - Deposits and Investments (Continued):

Investments: Pension Funds

The City's Pension Trust Fund (Trust) investment policies are governed by State Statutes and City ordinances. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the Florida Statutes. Authorized investments are:

1. Interest bearing time deposit or savings accounts
2. U.S. Government securities
3. U.S. Government Agency securities
4. Federal Instrumentalities (U.S. Government sponsored agencies)
5. State of Florida Local Government Surplus Fund (SBA)
6. Commercial paper
7. Bankers' acceptances
8. State and/or local government taxable and/or tax-exempt debt
9. Intergovernmental investment pool
10. Common and preferred stocks, commingled funds, mutual funds, bonds and structured mortgage or asset backed securities
11. Real Estate and real estate securities
12. Repurchase agreements
13. Foreign securities
14. Registered investment companies (money market mutual funds)

The investments held by the City's Pension Trust Fund at September 30, 2013 are detailed below:

<u>Investments</u>	<u>Fair Value</u>	<u>Average Duration (Years)</u>
Stocks	\$ 21,747,126	N/A
Bonds	6,625,943	4.38 years
Real Estate	2,708,272	N/A
Total Investments	<u>31,081,341</u>	
Cash and Cash Equivalents	718,075	
Total Cash and Investments	<u><u>\$ 31,799,416</u></u>	

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 5 - Deposits and Investments (Continued):

Investments: Pension Funds (Continued)

Credit Risk

The City's Trust investment policy limits credit risk by restricting authorized investment to those described above. The policy requires that the investments in: federal instrumentalities be guaranteed by the full faith and credit of the U.S. Government sponsored agency; deposit accounts be insured by the Federal Deposit Insurance Corporation and may not exceed maximum insured amount; commercial paper be rated in the highest category by a nationally recognized rating service; Letters of Credit (LOC) backing commercial paper, the long-term debt of the LOC provider be rated A or better by at least two nationally recognized rating services; bankers' acceptances of the United States Banks or federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, be rated in the highest category by a nationally recognized rating service; General Obligation and/or Revenue Bonds of state or local government taxable or tax-exempt debt be rated A, for long-term debt, by a nationally recognized rating service or rated "MIG-2" or "SP-2", for short term debt, by a nationally recognized rating service; intergovernmental investment pools be authorized to the Florida Interlocal Cooperation Act provided in Section 163.01, Florida Statutes; equities be traded on a national exchange; money market mutual funds have a rating of "A1" by Standard & Poor's (S&P) or "P1" by Moody's Investor Services (Moody's); fixed income securities be investment grade as measured by S&P or Moody's; and any bonds or notes that fall below investment quality must be liquidated immediately.

Custodial Credit Risk

Custodial risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2013, none of the Trust investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk

The City's Trust investment policy requires diversification, and places limits on the percentage of funds that may be invested with an individual issuer and type of investment. The policy limits an individual issuer of common or capital stock to no more than 5% of the fund's assets; the aggregate investment in any one stock issuing company to no more than 5% of the outstanding capital stock of the company; and the value of bonds issued by any single corporation to no more than 3% of the total fund. The policy limits investments in corporate common stock and convertible bonds to no more than 75% of the fund assets at market value; foreign securities to no more than 20% of fund assets at market value; and alternative investments, such as timber and real estate, to no more than 15% of the fund assets at market value. At September 30, 2013, there were no security investments in the Trust that were over their respective limitations.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 5 - Deposits and Investments (Continued):

Investments: Pension Funds (Continued)

Interest Rate Risk

The Pension investment policy allows for investment in commingled funds administered by national or state banks, and mutual funds. Authorized investments criteria with the exception of commingled funds, apply to security level investments. All fixed income investments in the Pension portfolio are commingled funds.

The Pension fixed income portfolio may be invested in securities with a maturity up to (30) years, as long as the average duration of the portfolio will not exceed +/- 125% of the duration of the Policy benchmark. There were no security level fixed income investments in the Pension Portfolio.

Note 6 - Receivables:

Receivables as of year end for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

<u>Fund</u>	<u>Accounts Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
General	\$ 428,395	\$ -	\$ 428,395
Road Improvements Special Revenue	3,494,999	-	3,494,999
Solid Waste/Recycling Special Revenue	4,368	-	4,368
Water & Sewer Utility	867,218	(50,013)	817,205
Nonmajor Governmental	739	-	739
	<u>\$ 4,795,719</u>	<u>\$ (50,013)</u>	<u>\$ 4,745,706</u>

There is an amount of \$3,494,999 included in accounts receivable above in the Road Improvements Special Revenue Fund that is not considered to be available to liquidate liabilities of the current period. There are also special assessments receivable of \$2,299,835 that are not available to liquidate liabilities of the current period. These receivables totaling \$5,794,834 are reported as deferred inflows of resources in the governmental funds balance sheet.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 7 - Capital Assets:

Capital asset activity for the year ended September 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,959,395	\$ -	\$ (12,600)	\$ 9,946,795
Construction in Progress	1,300,254	992,092	(1,749,281)	543,065
Total capital assets, not being depreciated	<u>11,259,649</u>	<u>992,092</u>	<u>(1,761,881)</u>	<u>10,489,860</u>
Capital assets, being depreciated:				
Buildings	12,826,046	-	(47,400)	12,778,646
Improvements	12,383,008	-	-	12,383,008
Intangible assets	947,276	6,512	-	953,788
Machinery and equipment	6,325,737	625,221	(432,206)	6,518,752
Infrastructure	57,600,451	2,797,080	-	60,397,531
Total capital assets, being depreciated	<u>90,082,518</u>	<u>3,428,813</u>	<u>(479,606)</u>	<u>93,031,725</u>
Less accumulated depreciation for:				
Buildings	(4,681,439)	(423,487)	10,929	(5,093,997)
Improvements	(4,662,395)	(421,891)	-	(5,084,286)
Intangible assets	(710,414)	(60,961)	-	(771,375)
Machinery and equipment	(5,021,301)	(566,844)	403,899	(5,184,246)
Infrastructure	<u>(27,596,054)</u>	<u>(1,260,310)</u>	<u>-</u>	<u>(28,856,364)</u>
Total accumulated depreciation	<u>(42,671,603)</u>	<u>(2,733,493)</u>	<u>414,828</u>	<u>(44,990,268)</u>
Total capital assets, being depreciated, net	<u>47,410,915</u>	<u>695,320</u>	<u>(64,778)</u>	<u>48,041,457</u>
Governmental activities capital assets, net	<u>\$ 58,670,564</u>	<u>\$ 1,687,412</u>	<u>\$ (1,826,659)</u>	<u>\$ 58,531,317</u>

Increases in accumulated depreciation for governmental activities includes accumulated depreciation on assets transferred from business-type activities, therefore total increases is not the same as depreciation expense discussed below. This difference is \$40,204.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 7 - Capital Assets (Continued):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 7,170,177	\$ -	\$ -	\$ 7,170,177
Construction in Progress	2,574,261	929,506	(3,308,013)	195,754
Total capital assets, not being depreciated	<u>9,744,438</u>	<u>929,506</u>	<u>(3,308,013)</u>	<u>7,365,931</u>
Capital assets, being depreciated:				
Buildings	759,515	-	(3,080)	756,435
Improvements	55,898,685	4,945,326	(1,141,790)	59,702,221
Intangible assets	110,410	109,683	(6,530)	213,563
Machinery and equipment	3,604,823	164,287	(241,663)	3,527,447
Total capital assets, being depreciated	<u>60,373,433</u>	<u>5,219,296</u>	<u>(1,393,063)</u>	<u>64,199,666</u>
Less accumulated depreciation for:				
Buildings	(545,245)	(25,109)	2,072	(568,282)
Improvements	(28,582,685)	(1,890,220)	873,996	(29,598,909)
Intangible assets	(100,489)	(14,080)	6,530	(108,039)
Machinery and equipment	(3,027,541)	(169,468)	241,124	(2,955,885)
Total accumulated depreciation	<u>(32,255,960)</u>	<u>(2,098,877)</u>	<u>1,123,722</u>	<u>(33,231,115)</u>
Total capital assets, being depreciated, net	<u>28,117,473</u>	<u>3,120,419</u>	<u>(269,341)</u>	<u>30,968,551</u>
Business-type activities capital assets, net	<u>\$ 37,861,911</u>	<u>\$ 4,049,925</u>	<u>\$ (3,577,354)</u>	<u>\$ 38,334,482</u>

Increases in accumulated depreciation for business-type activities include accumulated depreciation on assets transferred from governmental activities. This difference is \$1,250.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 7 - Capital Assets (Continued):

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 135,097
Public safety	469,991
Physical environment	1,717,510
Culture and recreation	370,691
Total depreciation expense - governmental activities	<u>\$ 2,693,289</u>
Business-type activities:	
Water and sewer	\$ 1,775,054
Development services	10,276
Stormwater	312,297
Total depreciation expense - business-type activities	<u>\$ 2,097,627</u>

Note 8- Long-Term Debt:

Revenue Bonds

The City issues bonds where the City pledges revenue derived from the acquired or constructed assets to pay debt service. Revenue bonds have been issued for both governmental and business-type activities.

The 1999 Improvement Refunding Bonds are secured by Electric Franchise fees and Public Service tax revenue. The total principal and interest remaining to be paid on this series is \$14,025,000. For the fiscal year, there was no principal and interest paid on this series and total pledged revenue was \$5,465,077.

The 2003 Improvement Refunding Bonds are secured by Electric Franchise fees and Public Service tax revenue. The total principal and interest remaining to be paid on this series is \$5,243,611. For the fiscal year, principal and interest paid on this series was \$874,448 and total pledged revenue was \$5,465,077.

The 2000 Water and Sewer Refunding bonds are secured by net revenue from the water and sewer system. The total principal and interest remaining to be paid on this series is \$19,968,125. For the fiscal year, principal and interest paid on this series was \$103,124 and total pledged net revenue was \$3,594,042.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 8 - Long-Term Debt (Continued):

Revenue Bonds (Continued)

The original amount of revenue bonds issued in prior years, as well as revenue bonds outstanding at year end, are as follows:

	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Balance September 30, 2013</u>
<u>Governmental Activities</u>				
Improvement Refunding Revenue Bonds- Series 1999 (excludes \$4,003,092 of accreted interest on capital appreciation bonds)	3.25 - 5.25% (4/1 & 10/1)	10/1/2020 to 10/1/2029	<u>\$ 7,998,970</u>	\$ 3,498,970
Improvement Refunding Revenue Bonds- Series 2003	2.0 - 3.7% (4/1 & 10/1)	10/1/2004 to 10/1/2018	<u>\$ 8,870,000</u>	4,730,000
Total				<u>\$ 8,228,970</u>

Business-Type Activities

Water and Sewer Refunding Revenue Bonds- Series 2000 (excludes \$4,081,821 of accreted interest on capital appreciation bonds)	4.5 - 5.5% (4/1 & 10/1)	10/1/2022 to 10/1/2030	<u>\$ 6,969,191</u>	\$ 5,669,191
Total				<u>\$ 5,669,191</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 725,000	\$ 150,385	\$ -	\$ 103,125
2015	750,000	125,698	-	103,125
2016	775,000	100,910	-	103,125
2017	800,000	74,523	-	103,125
2018	825,000	46,279	-	103,125
2019-2023	2,389,335	4,053,417	920,135	4,194,559
2024-2028	1,481,193	4,935,130	2,173,125	7,847,644
2029-2031	483,442	1,553,301	2,575,931	1,741,106
	<u>\$ 8,228,970</u>	<u>\$ 11,039,643</u>	<u>\$ 5,669,191</u>	<u>\$ 14,298,934</u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 8 - Long-Term Debt (Continued):

Notes Payable

The City issued a Special Assessment Revenue Note Series 2006, in the amount of \$430,000 to provide financing for the Tuscawilla Lighting and Beautification Project, Phase II. The Special Assessment Revenue Note Series 2006 is secured by a first lien and pledge of assessments levied on the property within the assessed area. The total principal and interest remaining to be paid on this series is \$126,076. For the fiscal year, principal and interest paid on this series was \$32,544 and total pledged revenue was \$32,544.

The 2011 Improvement Refunding Revenue Note is secured by Electric Franchise fees and Public Service tax revenue. The total principal and interest remaining to be paid on this series is \$1,295,323. For the fiscal year, principal and interest paid on this series was \$179,417 and total pledged revenue was \$5,465,077.

The 2011 Special Assessment Revenue Refunding Note is secured by a first lien and pledge of assessments levied on the property within the assessed area. The total principal and interest remaining to be paid on this series is \$2,257,486. For the fiscal year, principal and interest was paid on this series was \$86,755 and total pledged revenue was \$86,755.

The 2012 Limited General Obligation Refunding Note is secured a pledge of the faith, credit and taxing power of the City, provided that the levy of ad valorem taxes by the City in each year for the payment of debt service on the Note shall not exceed one quarter (1/4) of one mil on all of the taxable property in the City. The total principal and interest remaining to be paid on this series is \$3,646,584. For the fiscal year, principal and interest paid was \$200,563 and total pledged revenue was \$166,863.

The 2011A Water and Sewer Refunding Note is secured by net revenue from the water and sewer system. The total principal and interest remaining to be paid on this series is \$7,585,662. For the fiscal year, principal and interest paid on this series was \$1,087,224 and total pledged net revenue was \$3,594,042.

The 2011B Water and Sewer Refunding Note is secured by net revenue from the water and sewer system. The total principal and interest remaining to be paid on this series is \$791,049. For the fiscal year, principal and interest paid on this series was \$90,420 and total pledged net revenue was \$3,594,042.

The 2011C Water and Sewer Refunding Note is secured by net revenue from the water and sewer system. The total principal and interest remaining to be paid on this series is \$3,774,807. For the fiscal year, principal and interest paid on this series was \$423,400 and total pledged net revenue was \$3,594,042.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 8 - Long-Term Debt (Continued):

Notes Payable (Continued)

In April 2012, the City executed Clean Water State Revolving Fund Loan agreement WW590600 for the Lake Jessup reclaimed water augmentation facility. The agreement provides for total funding of \$2,831,985. The loan period is for 20 years with an interest rate of 2.77 percent. The note is secured by gross revenues from the water and sewer utility net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$2,200,338. For the fiscal year, principal and interest paid on this series was \$95,225 and total pledged net revenue was \$1,889,874.

The City has notes payable for both governmental and business-type activities. Outstanding notes payable at year end are as follows:

Governmental Activities

Special Assessment Revenue Note, Series 2006 - Principal payable annually beginning July 1, 2007 and interest payable semi-annually on January 1 and July 1. Maturity is July 1, 2021 and interest is 4.10%. Principal payments of \$26,931 were made in fiscal year 2013.	\$ 114,959
Improvement Refunding Revenue Note, Series 2011 - payable in annual principal installments starting 10/1/11 through 10/1/18 and interest paid semi-annually at 2.36%	1,204,160
Special Assessment Refunding Revenue Note, Series 2011 - payable in annual principal installments starting 10/1/12 through 10/1/29 and interest paid semi-annually at 3.25%	1,735,122
Limited General Obligation Refunding Note, Series 2012 - payable in annual principal installments starting 7/1/13 through 7/1/31 and interest paid semi-annually at 3.65%	2,638,521
	<u>\$ 5,692,762</u>

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 8 - Long-Term Debt (Continued):

Notes Payable (Continued)

Business-Type Activities

Water and Sewer System Revenue Refunding Note, Series 2011A - payable in annual principal installments starting 4/1/12 through 4/1/20 and interest paid semi-annually at 3.28% \$ 6,778,750

Water and Sewer System Revenue Refunding Note, Series 2011B - payable in annual principal installments starting 10/1/11 through 10/1/20 and interest paid semi-annually at 2.65% 721,065

Water and Sewer System Revenue Refunding Note, Series 2011C - payable in annual principal installments starting 10/1/12 through 10/1/21 and interest paid semi-annually at 2.66% 3,397,010

SRF loan- payable in semi-annual principal and interest installments starting 4/15/13, with interest paid semi-annually at 2.77% 1,711,448
\$ 12,608,273

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending September 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 371,000	\$ 182,461	\$ 1,372,146	\$ 351,600
2015	400,942	170,865	1,401,786	309,545
2016	419,859	158,611	1,446,699	265,702
2017	437,964	145,842	1,497,513	220,413
2018	439,982	132,642	1,542,855	173,587
2019-2023	1,406,959	507,622	4,403,205	299,669
2024-2028	1,394,113	284,740	466,096	95,981
2029-2033	821,943	49,926	477,973	27,086
	<u>\$ 5,692,762</u>	<u>\$ 1,632,709</u>	<u>\$ 12,608,273</u>	<u>\$ 1,743,583</u>

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 8 - Long-Term Debt (Continued):

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2013 was as follows:

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable-					
Revenue bonds	\$ 8,928,970	\$ -	\$ (700,000)	\$ 8,228,970	\$ 725,000
Less deferred amounts:					
Issuance premiums	41,782	-	(6,963)	34,819	-
Total bonds payable	<u>8,970,752</u>	<u>-</u>	<u>(706,963)</u>	<u>8,263,789</u>	<u>725,000</u>
Accreted interest payable	3,596,775	406,317	-	4,003,092	-
Notes payable-					
Capital improvement notes	3,260,288		(206,047)	3,054,241	266,312
Limited general obligation note	2,739,107		(100,586)	2,638,521	104,688
Total notes payable	<u>5,999,395</u>	<u>-</u>	<u>(306,633)</u>	<u>5,692,762</u>	<u>371,000</u>
Other post employment benefits	218,701	58,389	-	277,090	-
Compensated absences	632,710	726,850	(632,710)	726,850	145,000
Governmental activity long-term liabilities	<u>\$ 19,418,333</u>	<u>\$ 1,191,556</u>	<u>\$ (1,646,306)</u>	<u>\$ 18,963,583</u>	<u>\$ 1,241,000</u>
	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable-					
Revenue bonds	\$ 5,669,191	\$ -	\$ -	\$ 5,669,191	\$ -
Less deferred amounts:					
Issuance discounts	(18,978)	-	1,055	(17,923)	-
Total bonds payable	<u>5,650,213</u>	<u>-</u>	<u>1,055</u>	<u>5,651,268</u>	<u>-</u>
Accreted interest payable	3,632,729	449,092	-	4,081,821	-
Notes payable-					
Revenue notes	12,152,103	-	(1,255,278)	10,896,825	1,296,196
SRF Loan	-	1,794,923	(83,475)	1,711,448	75,950
Other post employment benefits	71,299	19,611	-	90,910	-
Compensated absences	156,846	194,367	(156,846)	194,367	38,873
Governmental activity long-term liabilities	<u>\$ 21,663,190</u>	<u>\$ 2,457,993</u>	<u>\$ (1,494,544)</u>	<u>\$ 22,626,639</u>	<u>\$ 1,411,019</u>

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 9 - Interfund Receivables, Payables and Transfers:

The composition of interfund advances as of September 30, 2013 is as follows:

Receivable Fund	Payable Fund	Amount
General	Other Governmental Funds	\$ 247,439
		<u>\$ 247,439</u>

The advance to other governmental funds represents Resolution 2010-36 adopted June 2010 formally establishing the interfund loan (original amount \$318,464) between the City's General Fund and the Oak Forest Debt Service Fund. The terms of the note are 2.7510% paid quarterly through June 2017. The balance also represents an interfund loan with the Tusawilla III Special Revenue Fund, which was established with Resolution 2013-22 in the amount of \$80,820 of which \$17,100 in prepayments were received for a net interfund loan of \$63,720. The terms of the note are 2.875% for 20 years. The interest rate is variable, with maximum increases of 1.25% in years 6-15, and 1.5% in years 16-20.

The composition of interfund balances as of September 30, 2013 is as follows:

Receivable Fund	Payable Fund	Amount
General	Water and Sewer	\$ 9,518
Stormwater	Water and Sewer	16,861
Solid Waste	Water and Sewer	56,080
		<u>\$ 82,459</u>

Interfund transfers for the year ended September 30, 2013 are summarized below:

Transfers Out	Transfers In			Total
	General Fund	Other Governmental Funds	Water and Sewer Utility Fund	
General Fund	\$ -	\$ 1,106,000	\$ 1,745	\$ 1,107,745
TLBD Debt Service	500	-	-	500
Solid Waste/Recycling				
Special Revenue Fund	134,394	-	-	134,394
Other Governmental Funds	92,565	-	14,647	107,212
Water and Sewer Utility Fund	1,439,516	150,000	-	1,589,516
Development Services Fund	323,680	22,500	3,040	349,220
Stormwater Utility Fund	152,800	-	6,000	158,800
	<u>\$ 2,143,455</u>	<u>\$ 1,278,500</u>	<u>\$ 25,432</u>	<u>\$ 3,447,387</u>

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 9 - Interfund Receivables, Payables and Transfers (Continued):

Interfund transfers for the year ended September 30, 2013 are detailed below:

<u>Recipient Fund</u>	<u>Amount</u>	<u>Purpose</u>
1999 Debt Service Fund	\$ 194,000	Transfer from General Fund to pay Debt Service expenses on the Improvement Refunding Revenue Bonds, Series 1999.
2003 Debt Service Fund	885,000	Transfer from General Fund to pay Debt Service expenses on the Improvement Refunding Revenue Bonds, Series 2003.
Central Winds GO Debt Service Fund	27,000	Transfer from General Fund to pay Debt Service expenses on the General Obligation Notes for the acquisition and expansion of Central Winds Park.
General Fund	1,439,516	Transfer from Water and Sewer Utility Fund for Utility Billing division budget, fair share portion of General Fund expenses, such as human resources, purchasing, and finance.
General Fund	323,680	Transfer from Development Services Fund for indirect costs, administration, fire prevention, Community Development (crossover costs), Information Services special projects, Kiva project and records management project expenses.
General Fund	73,969	Transfer from TLBD Phase I Maintenance Special Revenue Fund for City Clerk, Beautification Coordinator and insurance expenses.
General Fund	14,130	Transfer from Oak Forest Maintenance Special Revenue Fund for City Clerk, Beautification Coordinator and insurance expenses.
General Fund	134,394	Transfer from Solid Waste/Recycling Special Revenue Fund for administration, franchise fees.
General Fund		Transfer from Parks Impact Fund to cover costs related to an improvement at Trotwood Park.
General Fund	152,800	Transfer from Stormwater Utility Fund for administration and special projects.
General Fund	500	Transfer from Oak Forest Debt Service fund for administration fees.
General Fund	500	Transfer from TLBD Debt Service Fund for administration fees.
General Fund	500	Transfer from TLBD Phase II Debt Service Fund for administration fees.
General Fund	3,466	Transfer from Tusawilla III to reimburse the General Fund for expenses paid on behalf of the special assessment fund

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 9 - Interfund Receivables, Payables and Transfers (Continued):

<u>Recipient Fund</u>	<u>Amount</u>	<u>Purpose</u>
Excellence in Customer Service	22,500	Transfer from Development Services to contribute to projects to enhance customer service at City Hall
Excellence in Customer Service	150,000	Transfer from Water and Sewer Fund to contribute to projects to enhance customer service at City Hall including a new phone software and equipment, upgrades to the ERP software and improvements to physical space in the City Hall lobby.
Water and Sewer Utility Fund	1,745	Transfer from General Fund for purchase of 2 trucks
Water and Sewer Utility Fund	14,647	Transfer from Arbor Fund to cover an allocation of salary/benefits for the City Arborist.
Water and Sewer Utility Fund	3,040	Transfer from Development Services to cover an allocation of services for the phone operation and customer service call handling.
Water and Sewer Utility Fund	6,000	Transfer from Stormwater Utility Fund for administration fees.
	<u>\$ 3,447,387</u>	

Note 10 - Defined Benefit Pension Plan:

Plan Description

The City maintains a single-employer defined benefit pension plan that provides retirement benefits to City employees. The pension plan is maintained as a Pension Trust Fund and is included with the fund financial statements. This pension plan does not issue a stand-alone financial report. General employees hired on or after October 1, 2011 are no longer eligible for the defined benefit pension plan, but are eligible for the City's defined contribution plan. Employees hired as sworn police officers or hired as forensic professionals on or after October 1, 2011 will continue to participate in the defined benefit plan.

In October 2008, the City consolidated fire services with Seminole County, and firefighters were given the option to either remain in the City's pension plan or enroll in the County's pension plan. As a result, 27 firefighters elected to remain in the City's pension plan of which 17 remain although they are no longer employees of the City.

The Board of Trustees of the plan are appointed by the City Commission to make advisory recommendations regarding the plan's investment and portfolio strategies. Any recommendations are then taken back to the Commission for final approval.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 10 - Defined Benefit Pension Plan (Continued):

Summary of Significant Accounting Principles

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. All Plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the government's balance sheet date. Securities without an established market are reported at estimated fair value.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Commission. Effective October 1, 2011, the Plan has been amended to require Plan members to contribute 5% of their salary to the Plan, which amounted to \$356,386, for the year ended September 30, 2013. The City is required to contribute at an actuarially determined rate; the rate from the most recent actuarial valuation as of October 1, 2010 for the year ended September 30, 2013 is 28.1% of covered payroll. As a result of the amendment to increase the Plan member contribution, the City's contribution was reduced to 24.1% of payroll for fiscal year 2012. The City/County's contribution for the year ended September 30, 2013 was \$2,298,786, which is 25.4% of covered payroll. Administration costs and fees attributable to the plan are paid out of the plan and amounted to \$177,541 in 2013.

Membership in the Defined Benefit Plan consisted of the following as of the most recent valuation date, October 1, 2010:

Retirees and beneficiaries receiving benefits	51
Terminated plan members entitled to but not receiving benefits	98
Active plan members:	
Vested	186
Non-vested	24
	<u>359</u>

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 10 - Defined Benefit Pension Plan (Continued):

Annual Pension Cost and Net Pension Obligation -

The annual pension cost, net pension obligation and required contribution for September 30, 2013 were determined as part of the actuarial valuation of the plan dated October 1, 2010, and the actuarial impact statement dated March 2, 2012. The annual pension cost and net pension obligation based on the most recent valuation is:

Annual Required Contribution	\$ 1,965,643
Interest on Net Pension Obligation (NPO)	(450)
Adjustment to Annual Required Contribution	504
Annual Pension Cost	<u>1,965,697</u>
City Contributions Made	<u>(2,298,786)</u>
Increase/(Decrease) in NPO	(333,089)
Net Pension Obligation, beginning of year	<u>34,102</u>
Net Pension Asset, end of year	<u><u>\$ (298,987)</u></u>

Three Year Trend Information -

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
9/30/2011	\$ 2,627,713	\$ 2,660,270	101.2%	\$ (17,878)
9/30/2012	1,965,697	1,913,717	97.4%	34,102
9/30/2013	1,965,697	2,298,786	116.9%	(298,987)

As of October 1, 2010, the most recent actuarial valuation date, the Plan was 59.2% funded. The actuarial accrued liability for benefits was \$40,331,000 and the actuarial value of assets was \$23,887,000, resulting in an unfunded actuarial liability (UAAL) of \$16,444,000. The covered payroll (annual payroll of active employees covered by the plan) was \$10,304,000, and the ratio of the UAAL to the covered payroll was 159.6%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. The schedule of employer contributions is also presented and shows the extent to which the city has funded the actuarially determined annual required contribution (ARC) over time.

The amount legally required as of September 30, 2013 to be reserved for the Plan is \$32,172,541.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 10 - Defined Benefit Pension Plan (Continued):

Actuarial Methods and Assumptions -

The following is a summary of the actuarial methods and significant actuarial assumptions used in the latest actuarial valuation dated October 1, 2010. The plan was amended October 1, 2004 to increase the benefit formula percentage for service prior to October 1, 2000 of 2.0% by .25% increments each year beginning October 1, 2005 through the plan year beginning October 1, 2008 to 3.0%.

Assumptions:

Investment Earnings	8% compounded annually
Salary Increases/Inflation	3.0% -7.5%, includes expected inflation at 3.0%
Mortality Table	RP-2000 Combined Mortality Table with separate rates for males and females and fully generational mortality improvements projected to each future decrement date
Normal Form	Life annuity with payments for life of participant
Retirement Age	Age 65
Withdrawal Rates	Used withdrawal assumptions used in July 1, 2010 Florida Retirement System (FRS) Actuarial Valuation.

Actuarial Valuation:

Frequency	Annual
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Projected Payroll
Amortization Period	30 Years Closed
Asset Valuation Method	5 year smoothed market

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 11 - Defined Contribution Plan:

In March 2012 the City established the Winter Springs Defined Contribution (General Plan) as a defined contribution plan covering all full time employees of the City hired after October 1, 2011, not eligible to participate in the Defined Benefit Pension Plan. This plan is authorized and may be amended by the City Commission. The City makes employer contributions of 5%. Employees are eligible to participate in the General Plan after 6 months of employment. Vesting is 0% for the first 3 years, 60% at the end of year 3, 80% at the end of year 4, 100% at the end of year 5. Benefits are available upon termination subject to IRS regulations, regardless of age, based on vested years of service. Normal retirement age has been designated by the employer as age 65.

For the fiscal year ending September 30, 2013, payroll for the employees covered by this plan was \$596,269. Employer contributions required and made were \$39,960. As of September 30, 2013, participation in the plan consisted of 27 active members.

During the year, the General Plan held no securities issued by the employer.

Note 12 - Other Post-Employment Benefits:

In accordance with Florida Statutes Section 112.0801, the City makes continued group health insurance through the city's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met. This plan is a single employer plan. This benefit has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has eleven retirees currently receiving benefits. The City has chosen pay-as-you-go funding, but is recording the liability in the government wide financial statements. This plan does not issue stand-alone financial statements.

The most recent actuarial report for the City's Retiree Continuation Insurance plan was prepared as of October 1, 2013. At that point in time, the unfunded actuarial accrued liability (UAAL) for benefits was \$1,016,000 and funded ratio was 0%. The covered payroll was \$7,665,000 and the ratio of the UAAL to covered payroll was 13.3 percent.

The annual required contribution and Net OPEB Obligation for the fiscal year ended September 30, 2013 is as follows:

Annual required contribution	\$ 160,000
Interest on net OPEB Obligation	12,000
Adjustment to annual required contribution	<u>(25,000)</u>
Annual OPEB Cost	147,000
Employer contributions	(68,000)
Interest on employer contributions	<u>(1,000)</u>
Increase in Net OPEB Obligation	78,000
Net OPEB Obligation (beginning of year)	<u>290,000</u>
Net OPEB Obligation (end of year)	<u><u>\$ 368,000</u></u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 12 - Other Post-Employment Benefits (Continued):

Three Year Trend Information -

Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
9/30/2011	\$ 133,000	44.0%	\$ 222,000
9/30/2012	137,000	43.0%	290,000
9/30/2013	160,000	42.0%	368,000

Summary of Actuarial Methods & Assumptions -

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method - The projected unit credit cost method was used to determine all liabilities, with the liability for each active employee assumed to accrue over his working lifetime based on elapsed time from his date of hire until retirement.

Amortization Method - The level-dollar payment with a 15 year open period amortization method was used.

Decrements -

Mortality - Sex-distinct mortality rates set forth in the RP-2000 mortality table to annuitants and non-annuitants, projected to 2012 by Scale AA, as published by the IRS for purposes of IRC section 430.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 12 - Other Post-Employment Benefits (Continued):

Summary of Actuarial Methods & Assumptions (Continued)

Disability - Sex-distinct disability rates set forth in the Wyatt 1985 Disability Study; Class 4 rates were used for police officers, Class 1 rates were used for all other employees.

Permanent Withdrawal from Active Status - Sex-distinct withdrawal rates set forth in the Scale 155 table.

Retirement - Retirement was assumed to occur as at age 55 for police officers and at age 60 for all other employees

Investment Return (Discount Rate) - 4.0% per annum (includes inflation at 2.75% per annum)

Health care Costs Trend Rates - The cost of covered medical services has been assumed to increase in accordance with the following rates, compounded annually:

<u>Year</u>	<u>Increase</u>	<u>Year</u>	<u>Increase</u>	<u>Year</u>	<u>Increase</u>
2014	7.00%	2016	6.00%	2018	
2015	6.50%	2017	5.50%	and later	5.00%

Implied Subsidy (Not Eligible for Medicare) -The implied subsidy for a 60-year old retiree and his spouse is assumed to be \$4,200 per year and \$5,700 per year, respectively.

Implied Subsidy (Dental Insurance) -There is no implied subsidy for dental insurance since it is assumed that the dental insurance costs for covered individuals do not increase with age.

Age-Related Morbidity -The cost of covered medical services has been assumed to increase with age at the rate of 3.5% per annum.

Retiree contributions - Retirees electing post-employment healthcare coverage have been assumed to make monthly contributions equal to the premium charged to the active employees and retiree contributions are assumed to increase in accordance with the healthcare cost trend assumption.

Medical Plan Choice - Retirees have been assumed to elect coverage under the “United Healthcare Medical Plan 6” plan.

Future Participation Rates - 25% of eligible employees are assumed to elect healthcare coverage for themselves until age 65 upon retirement or disability; of the retirees election healthcare coverage, 10% are assumed to elect coverage for their spouses until age 65.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 12 - Other Post-Employment Benefits (Continued):

Summary of Actuarial Methods & Assumptions (Continued)

COBRA Assumption - Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, we assumed that the COBRA premium to be paid by the participant fully covers the cost of providing healthcare coverage during the relevant period.

Summary of Benefits

Other Post-Employment Benefits (OPEBs) - The City of Winter Springs provides optional post-employment healthcare and dental insurance coverage to eligible individuals.

Eligible Individuals - Eligible individuals include all regular employees of the City of Winter Springs who retire from active service and are eligible for retirement or disability benefits under the defined benefit pension plan that is sponsored by the City. Under certain conditions, eligible individuals for healthcare coverage also include spouses and dependent children.

Choice of Healthcare Plans - Eligible individuals may choose healthcare coverage under the "United Healthcare Medical Plan 4" plan, or the "United Healthcare Medical Plan 6" plan.

Required Monthly Premium for Post-Employment Healthcare Coverage - Retirees must pay a monthly premium as determined by the insurance carrier. The premium varies depending on the plan selected and whether the retiree elects single, single plus spouse, single plus children or family coverage.

Note 13 - Deferred Compensation Plan:

All employees of the City may voluntarily elect to participate in one of two available deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are administered by Nationwide Retirement Solutions and ICMA Retirement Corporation. The plans permit participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Because the Plan Assets are held in trust for the exclusive benefit of plan participants and their beneficiaries, the Plan is not accounted for in the City's fund financials.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 14 - Risk Management:

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. Risk of loss from above is transferred by the City to various commercial insurers through the purchase of insurance. There has been no significant reduction in insurance coverage from the previous year. There have been no settlements in excess of insurance coverage in any of the prior three fiscal years.

Note 15- Commitments and Contingencies:

Grants -

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Litigation -

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Commitments Under Construction Contracts -

At September 30, 2013, the City had entered into construction contracts in the amount of \$263,797.

Transportation Impact Fee Credits -

The City has entered into a number of agreements with developers under which the developer donates transportation infrastructure improvements or rights of way to the City and receives credit for future transportation impact fee payments. As of September 30, 2013, credit balances for future impact fees total approximately \$289,000.

CITY OF WINTER SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Note 16 - Fund Balance

Minimum Fund Balance Policy - In accordance with Resolution 2002-36, the City designates an amount equal to 20 percent of the total operating expenses of the General fund to be maintained as a required minimum unreserved fund balance. The purpose of the policy is to provide capacity to (1) provide sufficient cash flow for daily financial needs, (2) secure and maintain investment grade (i.e. A or above) bond ratings, (3) offset significant economic downturns or revenue shortfalls, and (4) provide funds for unforeseen expenditures related to emergencies.

By a super majority vote of the Commission, supplemental appropriation from unassigned General Fund fund balance may be authorized by the Commission for a General Fund purpose reducing the unassigned General Fund fund balance below the 20% minimum provided that the assigned General Fund fund balance is restored to the minimum in the following year budget.

At September 30, 2013, the City's governmental fund balances were as follows:

Fund Balances	General Fund	Road Improvements Fund	Solid Waste/ Recycling	TLBD Debt Service	Other Governmental Funds	Total Governmental Funds
Nonspendable						
Inventory/prepaid	\$ 161,695	\$ -	\$ -	\$ -	\$ -	\$ 161,695
Advances	247,439					247,439
Spendable						
Restricted for:						
Physical environment	-	1,462,933			1,864,815	3,327,748
Public safety	-	-	-	-	1,485,656	1,485,656
Culture and recreation	-	-	-	-	326,411	326,411
Debt service	-	-	-	264,389	64,231	328,620
Committed to:						
Solid Waste	-	-	1,190,375	-	-	1,190,375
Arbor	-	-	-	-	337,510	337,510
Assigned to:						
Storm reserve	-	-	833,066	-	-	833,066
Emergency Disaster Relief	-	-	649,208	-	-	649,208
Debt service	-	-	-	-	989,450	989,450
Capital projects	-	-	-	-	3,116,902	3,116,902
Subsequent year expenditures	581,068	-	-	-	-	581,068
Unassigned	7,497,553	-	-	-	(191,146)	7,306,407
Total Fund Balance	\$ 8,487,755	\$ 1,462,933	\$ 2,672,649	\$ 264,389	\$ 7,993,829	\$ 20,881,555

Note 17 - Subsequent Events:

The City has evaluated subsequent events through the date of the independent auditors' report, the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WINTER SPRINGS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2013

Defined Benefit Pension Trust Fund

Schedule of Funding Progress
(expressed in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a) / c
10/1/2005	\$ 9,716	\$ 13,178	\$ 3,462	74%	\$ 9,659	35.8%
10/1/2006	11,951	16,043	4,092	74.5	10,489	39.0
10/1/2007	15,527	20,114	4,587	77.2	11,190	41.0
10/1/2008	18,747	32,414	13,667	57.8	10,768	126.9
10/1/2009	20,789	37,651	16,862	55.2	10,753	156.8
10/1/2010	23,887	40,331	16,444	59.2	10,304	159.6

Schedule of Employer Contributions

Fiscal Year Ending	Annual Required Contribution (ARC)	Actual Contribution	Percentage of ARC Contributed
9/30/2008	\$ 2,005,100	\$ 2,009,085	100.2%
9/30/2009	1,781,651	1,781,197	100.0
9/30/2010	2,311,058	2,311,058	100.0
9/30/2011	2,627,659	2,660,270	101.2
9/30/2012	1,965,643	1,913,717	97.4
9/30/2013	1,965,643	2,298,786	116.9

CITY OF WINTER SPRINGS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2013

Retiree Continuation Insurance Plan

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a) / c
7/1/2009**	\$ -	\$ 505,000	\$ 505,000	0.0%	\$ 9,230,000	5.5%
10/1/2011	-	754,000	754,000	0.0%	7,441,000	10.1%
10/1/2013	-	1,016,000	1,016,000	0.0%	7,665,000	13.3%

** initial valuation date

Schedule of Contributions from Employers and Other Contributing Entities

Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
9/30/2009	\$ 93,000	17.0%	\$ 77,000
9/30/2010	98,000	16.0%	155,000
9/30/2011	133,000	44.0%	222,000
9/30/2012	137,000	43.0%	290,000
9/30/2013	160,000	42.0%	368,000

CITY OF WINTER SPRINGS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information

September 30, 2013

Note 1

The following actuarial assumption/method changes have been implemented with the October 1, 2011 valuation for the Retiree Continuation Insurance Plan:

1. The mortality basis has been changed from the RP-2000 Mortality Table projected to 2007 by Scale AA to the RP-2000 Mortality Table projected to 2013 by Scale AA, both as published by the IRS for purposes of IRC section 430.
2. The healthcare cost trend rates have been changed from 8.87% for the 2011/12 fiscal year graded down to 5.00% for the 2018/19 fiscal year and thereafter to 8.00% for the 2011/12 fiscal year graded down to 5.00% for the 2017/18 fiscal year and thereafter.
3. The implied subsidy for spouses at age 60 has been decreased from \$400 per month to \$375 per month.
4. The percentage of eligible employees who are assumed to elect healthcare coverage upon retirement or disability has been increased from 10% to 25%
5. The percentage of future retirees who are assumed to elect healthcare coverage for their spouse has been decreased from 80% for males and 50% for females to 10% for all future retirees.

Note 2

The following actuarial assumption/method changes have been implemented with the March 2, 2012 actuarial impact statement for the Defined benefit pension plan:

1. Employees working 30 or more hours per week were eligible to join the Plan on the first day of the month following completion of six months of service.
2. Effective October 10, 2011 compensation shall exclude commissions, bonuses, overtime pay in excess of 150 hours per Plan year and payments for accrued leave in excess of the dollar amount of an employee's accrued leave balance on July 1, 2011.
3. Final average compensation for hire date prior to October 1, 2011 is the average earnings during the 3 or 5 consecutive years out of the last 10, whichever is better, for hire date after October 1, 2011 final average compensation is the average of the 5 high consecutive years.
4. Benefit for Firefighters, Police Officers and Forensic Professional, 3% times final average compensation multiplied by Accrual Service up to a maximum of 30 years. Benefit for General Employees, 3% time accrual service earned through September 30, 2011 times final average compensation plus 2.5% times accrual service earned after September 30, 2011 times final average compensation up to a maximum of 30 years accrual service.

CITY OF WINTER SPRINGS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information

September 30, 2013

Note 2 (Continued)

5. Early retirement eligibility is the earlier of attainment of age 55 and completion of 15 years of service.
6. Participant contributions increased to 5% of compensation for all employees.
7. Participants are 100% vested in required participant contributions. Participant contributions made after October 1, 2000 are include in the deferred vested benefit payable at normal or early retirement date. Upon termination of service prior to normal or early retirement date a participant shall be entitled to a benefit payable at normal or early retirement date calculated as for normal retirement. Based on pay and service at termination multiplied by a percentage- 0% for less than 7 years of service, 100% for 7 or more years of service.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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MAJOR GOVERNMENTAL FUNDS

Debt Service Fund

TLBD Debt Service Fund

- This fund was established to account for the accumulation of principal and interest for the 2001 special assessment bond issue which was refinanced in October 2011 with a private placement note payable.

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CITY OF WINTER SPRINGS, FLORIDA

TLBD DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ 165,698	\$ 165,698	\$ 29,878	\$ (135,820)
Investment income	900	900	58,097	57,197
Miscellaneous	-	-	79,735	79,735
Total revenues	<u>166,598</u>	<u>166,598</u>	<u>167,710</u>	<u>1,112</u>
Expenditures:				
Current:				
Physical environment	4,600	4,600	4,418	182
Debt Service:				
Principal	50,000	50,000	29,878	20,122
Interest and other charges	57,431	57,431	56,877	554
Total expenditures	<u>112,031</u>	<u>112,031</u>	<u>91,173</u>	<u>20,858</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>54,567</u>	<u>54,567</u>	<u>76,537</u>	<u>21,970</u>
Other Financing Sources (Uses)				
Notes payable	-	-	-	-
Transfers out	(500)	(500)	(500)	-
Total other financing sources and uses	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Net Change in Fund Balances	54,067	54,067	76,037	21,970
Fund Balances - Beginning	188,352	188,352	188,352	-
Fund Balances - Ending	<u>\$ 242,419</u>	<u>\$ 242,419</u>	<u>\$ 264,389</u>	<u>\$ 21,970</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

- Police Education Fund** - This fund is used to account for the \$2.00 additional assessment on each traffic citation that is restricted for criminal justice education and training in accordance with Chapter 938.15, Florida Statutes.

- Special Law Enforcement Trust Fund - Local** - This fund was established to receive revenues from local sources derived from confiscated property obtained during the enforcement of illegal operations. Proceeds are restricted for law enforcement purposes. Such purposes may include drug education programs such as G.R.E.A.T (Gang Resistance Education and Training).

- Transportation Improvement Fund** - Revenues in this fund are derived from Local Option Gasoline Tax distribution. Proceeds are restricted for road, right of way, and drainage maintenance and equipment necessary to build or maintain roads, right of ways, and drainage.

- Transportation Impact Fee Fund** - This fund is used to account for collected impact fees on new development which are restricted for use in funding road construction directly related to new growth.

- Police Impact Fee Fund** - This fund is used to account for collected impact fees on new development which are restricted for use in funding capital investment needed to maintain the level of police service directly related to new growth.

- Fire Impact Fee Fund** - This fund is used to account for collected impact fees on new development to defray the cost of capital investment needed to maintain the level of fire service due to future growth.

- Parks Impact Fee Fund** - This fund is used to account for collected impact fees on new development which are restricted for use in funding capital investment needed to develop and improve the parks directly related to new growth.

NONMAJOR GOVERNMENTAL FUNDS - Continued

Special Revenue Funds - Continued

- | | |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Arbor Fund | - This fund is used to account for arbor permit revenues committed to new plantings and maintenance of trees and shrubs within the City. |
| TLBD Maintenance Fund | - This fund is used to account for collected special assessments restricted for maintenance related to the Tusawilla Lighting and Beautification District for Phases I and II of project. Phase II was accounted for in a separate fund prior to Fiscal Year 2008. |
| Oak Forest Maintenance Fund | - This fund is used to account for collected special assessments restricted for maintenance related to the Oak Forest subdivision wall. |
| Special Law Enforcement Trust Fund - Federal | - This fund was established to receive revenues from federal sources derived from confiscated property obtained during the enforcement of illegal operations. Proceeds are restricted for law enforcement purposes. Such purposes may include drug/gang related education, Shop with a Cop, movie and other civic events. |
| Tusawilla Phase III | This fund is used to account for collected special assessments restricted for maintenance related to the Tusawilla Phases III, and repayment of advance from General Fund. |

NONMAJOR GOVERNMENTAL FUNDS - Continued

Debt Service Funds

- 1999 Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of principal and interest for the 1999 bond issue and Improvement Refunding Note Series 2011, which partially refunded the 1999 bond issue.
- 2003 Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of principal and interest for the 2003 bond issue.
- Oak Forest Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of principal and interest to the General Fund for the 2010 interfund loan which paid off the Capital Improvement Revenue Note, Series 2004A.
- TLBD Phase II Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of principal and interest for the TLBD Phase II Improvements.
- Central Winds G.O. Debt Service Fund** - This fund is used to account for accumulation of resources and payment of principal and interest for the 2002 limited general obligation bond which was refinanced in May 2012 with private placement note payable.

NONMAJOR GOVERNMENTAL FUNDS - Continued

Capital Projects Funds

- 1999 Construction Capital Projects Fund** - This fund was established for the acquisition and construction of City - owned Capital Improvements.
- Revolving Rehab Capital Projects Fund** - This fund was established to fund capital improvements and economic development within the City.
- Public Facilities Fund** - This fund was established to account for construction of additional public facilities.
- Excellence in Customer Service** - This fund was established to account for the acquisition of software and equipment to improve the level of customer service performance.

CITY OF WINTER SPRINGS, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2013

	Special Revenue			
	Police Education Fund	Special Law Enforcement Trust Fund- Local	Transportation Improvement Fund	Transportation Impact Fee Fund
Assets:				
Cash and cash equivalents	\$ 794	\$ 1,391	\$ 31,933	\$ 43,294
Investments	15,405	26,976	619,389	839,765
Receivables, net	720	-	-	-
Special assessments receivable	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	363	-	-
Total assets	<u>\$ 16,919</u>	<u>\$ 28,730</u>	<u>\$ 651,322</u>	<u>\$ 883,059</u>
Liabilities:				
Accounts payable	\$ -	\$ 241	\$ 5,915	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>241</u>	<u>5,915</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	16,919	28,489	645,407	883,059
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>16,919</u>	<u>28,489</u>	<u>645,407</u>	<u>883,059</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,919</u>	<u>\$ 28,730</u>	<u>\$ 651,322</u>	<u>\$ 883,059</u>

Special Revenue

Police Impact Fee Fund	Fire Impact Fee Fund	Parks Impact Fee Fund	Arbor Fund	TLBD Maintenance Fund
\$ 6,304	\$ 63,387	\$ 16,003	\$ 16,547	\$ 14,265
122,274	1,229,510	310,408	320,963	276,687
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 128,578</u>	<u>\$ 1,292,897</u>	<u>\$ 326,411</u>	<u>\$ 337,510</u>	<u>\$ 290,952</u>
\$ -	\$ -	\$ -	\$ -	\$ 8,423
-	-	-	-	-
-	-	-	-	8,423
-	-	-	-	-
-	-	-	-	-
128,578	1,292,897	326,411	-	282,529
-	-	-	337,510	-
-	-	-	-	-
-	-	-	-	-
<u>128,578</u>	<u>1,292,897</u>	<u>326,411</u>	<u>337,510</u>	<u>282,529</u>
<u>\$ 128,578</u>	<u>\$ 1,292,897</u>	<u>\$ 326,411</u>	<u>\$ 337,510</u>	<u>\$ 290,952</u>

(Continued)

CITY OF WINTER SPRINGS, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2013

	Special Revenue			Total Special Revenue
	Oak Forest Maintenance Fund	Special Law Enforcement Trust Fund - Federal	Tuscowilla Phase III	
Assets:				
Cash and cash equivalents	\$ 2,746	\$ 920	\$ 2,000	\$ 199,584
Investments	53,258	17,853	38,785	3,871,273
Receivables, net	-	-	-	720
Special assessments receivable	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	363
Total assets	<u>\$ 56,004</u>	<u>\$ 18,773</u>	<u>\$ 40,785</u>	<u>\$ 4,071,940</u>
Liabilities:				
Accounts payable	\$ 2,184	\$ -	\$ -	\$ 16,763
Due to other funds	-	-	63,721	63,721
Total liabilities	<u>2,184</u>	<u>-</u>	<u>63,721</u>	<u>80,484</u>
Deferred Inflows of Resources				
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	53,820	18,773	-	3,676,882
Committed	-	-	-	337,510
Assigned	-	-	-	-
Unassigned	-	-	(22,936)	(22,936)
Total fund balances	<u>53,820</u>	<u>18,773</u>	<u>(22,936)</u>	<u>3,991,456</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 56,004</u>	<u>\$ 18,773</u>	<u>\$ 40,785</u>	<u>\$ 4,071,940</u>

Debt Service

2003 Debt Service Fund	1999 Debt Service Fund	Oak Forest Debt Service Fund	Central Winds GO Debt Service Fund	TLBD Phase II Debt Service Fund	Total Debt Service
\$ 806,838	\$ 175,166	\$ 792	\$ 2,356	\$ 1,094	\$ 986,246
5,857	1,589	15,369	45,696	21,215	89,726
-	-	-	19	-	19
-	-	441,402	-	183,311	624,713
-	-	-	-	-	-
<u>\$ 812,695</u>	<u>\$ 176,755</u>	<u>\$ 457,563</u>	<u>\$ 48,071</u>	<u>\$ 205,620</u>	<u>\$ 1,700,704</u>
\$ -	\$ -	\$ 653	\$ 6,001	\$ 148	\$ 6,802
-	-	183,718	-	-	183,718
-	-	184,371	6,001	148	190,520
-	-	441,402	-	183,311	624,713
-	-	441,402	-	183,311	624,713
-	-	-	42,070	22,161	64,231
-	-	-	-	-	-
812,695	176,755	-	-	-	989,450
-	-	(168,210)	-	-	(168,210)
<u>812,695</u>	<u>176,755</u>	<u>(168,210)</u>	<u>42,070</u>	<u>22,161</u>	<u>885,471</u>
<u>\$ 812,695</u>	<u>\$ 176,755</u>	<u>\$ 457,563</u>	<u>\$ 48,071</u>	<u>\$ 205,620</u>	<u>\$ 1,700,704</u>

(Continued)

CITY OF WINTER SPRINGS, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2013

Capital Projects

	1999 Construction Fund	Revolving Rehab Fund	Public Facilities Fund	Excellence in Customer Service
Assets:				
Cash and cash equivalents	\$ 45,098	\$ 52,772	\$ 47,579	\$ 8,842
Investments	874,765	1,023,614	922,879	171,497
Receivables, net	-	-	-	-
Special assessments receivable	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Total assets	\$ 919,863	\$ 1,076,386	\$ 970,458	\$ 180,339
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 30,144
Due to other funds	-	-	-	-
Total liabilities	-	-	-	30,144
Deferred Inflows of Resources				
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	919,863	1,076,386	970,458	150,195
Unassigned	-	-	-	-
Total fund balances	919,863	1,076,386	970,458	150,195
Total liabilities, deferred inflows of resources and fund balances	\$ 919,863	\$ 1,076,386	\$ 970,458	\$ 180,339

<u>Total Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 154,291	\$ 1,340,121
2,992,755	6,953,754
-	739
-	624,713
-	363
<u>\$ 3,147,046</u>	<u>\$ 8,919,690</u>

\$ 30,144	\$ 53,709
-	247,439
<u>30,144</u>	<u>301,148</u>

-	624,713
<u>-</u>	<u>624,713</u>

-	3,741,113
-	337,510
3,116,902	4,106,352
-	(191,146)
<u>3,116,902</u>	<u>7,993,829</u>

<u>\$ 3,147,046</u>	<u>\$ 8,919,690</u>
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CITY OF WINTER SPRINGS, FLORIDA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For The Year Ended September 30, 2013

	Special Revenue			
	Police Education Fund	Special Law Enforcement Trust Fund- Local	Transportation Improvement Fund	Transportation Impact Fee Fund
Revenues:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Permits and fees	-	-	-	-
Intergovernmental revenues	-	-	779,768	-
Charges for services	-	-	14,411	-
Fines and forfeitures	9,327	20,375	-	-
Impact fees/assessments	-	-	-	315,721
Investment income	95	137	2,714	3,223
Miscellaneous	869	-	28	-
Total revenues	<u>10,291</u>	<u>20,512</u>	<u>796,921</u>	<u>318,944</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	18,319	20,676	-	-
Physical environment	-	-	146,722	5,480
Culture and recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital Outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	596,793	10,658
Culture and recreation	-	-	-	-
Total expenditures	<u>18,319</u>	<u>20,676</u>	<u>743,515</u>	<u>16,138</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,028)</u>	<u>(164)</u>	<u>53,406</u>	<u>302,806</u>
Other Financing Sources (Uses):				
Sale of general capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(8,028)	(164)	53,406	302,806
Fund Balances - Beginning	<u>24,947</u>	<u>28,653</u>	<u>592,001</u>	<u>580,253</u>
Fund Balances - Ending	<u>\$ 16,919</u>	<u>\$ 28,489</u>	<u>\$ 645,407</u>	<u>\$ 883,059</u>

Special Revenue

Police Impact Fee Fund	Fire Impact Fee Fund	Parks Impact Fee Fund	Arbor Fund	TLBD Maintenance Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	33,389	-
-	-	-	-	-
-	-	-	-	-
-	-	-	22,286	-
75,152	151,879	195,600	-	497,545
496	5,885	1,122	1,576	2,227
-	-	-	-	-
<u>75,648</u>	<u>157,764</u>	<u>196,722</u>	<u>57,251</u>	<u>499,772</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	8,840	427,626
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
39,624	-	-	-	-
-	-	-	-	-
-	-	11,390	-	-
<u>39,624</u>	<u>-</u>	<u>11,390</u>	<u>8,840</u>	<u>427,626</u>
<u>36,024</u>	<u>157,764</u>	<u>185,332</u>	<u>48,411</u>	<u>72,146</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	(14,647)	(73,969)
-	-	-	<u>(14,647)</u>	<u>(73,969)</u>
36,024	157,764	185,332	33,764	(1,823)
<u>92,554</u>	<u>1,135,133</u>	<u>141,079</u>	<u>303,746</u>	<u>284,352</u>
<u>\$ 128,578</u>	<u>\$ 1,292,897</u>	<u>\$ 326,411</u>	<u>\$ 337,510</u>	<u>\$ 282,529</u>

(Continued)

CITY OF WINTER SPRINGS, FLORIDA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For The Year Ended September 30, 2013

	Special Revenue			Total
	Oak Forest Maintenance Fund	Special Law Enforcement Trust Fund - Federal	Tuscawilla Phase III	
Revenues:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Permits and fees	-	-	-	33,389
Intergovernmental revenues	-	-	-	779,768
Charges for services	-	-	-	14,411
Fines and forfeitures	-	13,695	-	65,683
Impact fees/assessments	53,145	-	17,100	1,306,142
Investment income	365	265	11	18,116
Miscellaneous	-	-	-	897
Total revenues	<u>53,510</u>	<u>13,960</u>	<u>17,111</u>	<u>2,218,406</u>
Expenditures:				
Current:				
General government	-	-	24,706	24,706
Public safety	-	62,133	-	101,128
Physical environment	37,766	-	-	626,434
Culture and recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital Outlay:				
General government	-	-	11,875	11,875
Public safety	-	3,690	-	43,314
Physical environment	-	-	-	607,451
Culture and recreation	-	-	-	11,390
Total expenditures	<u>37,766</u>	<u>65,823</u>	<u>36,581</u>	<u>1,426,298</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>15,744</u>	<u>(51,863)</u>	<u>(19,470)</u>	<u>792,108</u>
Other Financing Sources (Uses):				
Sale of general capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(14,130)	-	(3,466)	(106,212)
Total other financing sources(uses)	<u>(14,130)</u>	<u>-</u>	<u>(3,466)</u>	<u>(106,212)</u>
Net Change in Fund Balances	1,614	(51,863)	(22,936)	685,896
Fund Balances - Beginning	<u>52,206</u>	<u>70,636</u>	<u>-</u>	<u>3,305,560</u>
Fund Balances - Ending	<u>\$ 53,820</u>	<u>\$ 18,773</u>	<u>\$ (22,936)</u>	<u>\$ 3,991,456</u>

Debt Service

2003 Debt Service Fund	1999 Debt Service Fund	Oak Forest Debt Service Fund	Central Winds GO Debt Service Fund	TLBD Phase II Debt Service Fund	Total Debt Service
\$ -	\$ -	\$ -	\$ 166,863	\$ -	\$ 166,863
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	17,536	-	26,931	44,467
2,256	471	19,577	721	5,777	28,802
-	-	21,972	-	8,126	30,098
<u>2,256</u>	<u>471</u>	<u>59,085</u>	<u>167,584</u>	<u>40,834</u>	<u>270,230</u>
-	-	-	-	971	971
-	-	-	-	-	-
-	-	3,927	-	-	3,927
-	-	-	2,500	-	2,500
-	-	-	-	-	-
700,000	149,238	-	100,586	26,931	976,755
174,448	30,179	5,848	99,977	5,613	316,065
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>874,448</u>	<u>179,417</u>	<u>9,775</u>	<u>203,063</u>	<u>33,515</u>	<u>1,300,218</u>
<u>(872,192)</u>	<u>(178,946)</u>	<u>49,310</u>	<u>(35,479)</u>	<u>7,319</u>	<u>(1,029,988)</u>
-	-	-	-	-	-
885,000	194,000	-	27,000	-	1,106,000
-	-	(500)	-	(500)	(1,000)
<u>885,000</u>	<u>194,000</u>	<u>(500)</u>	<u>27,000</u>	<u>(500)</u>	<u>1,105,000</u>
12,808	15,054	48,810	(8,479)	6,819	75,012
<u>799,887</u>	<u>161,701</u>	<u>(217,020)</u>	<u>50,549</u>	<u>15,342</u>	<u>810,459</u>
<u>\$ 812,695</u>	<u>\$ 176,755</u>	<u>\$ (168,210)</u>	<u>\$ 42,070</u>	<u>\$ 22,161</u>	<u>\$ 885,471</u>

(Continued)

CITY OF WINTER SPRINGS, FLORIDA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For The Year Ended September 30, 2013

	Capital Projects			
	1999 Construction Fund	Revolving Rehab Fund	Public Facilities Fund	Excellence in Customer Service
Revenues:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Permits and fees	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees/assessments	-	-	-	-
Investment income	4,538	5,124	4,787	997
Miscellaneous	-	-	-	-
Total revenues	<u>4,538</u>	<u>5,124</u>	<u>4,787</u>	<u>997</u>
Expenditures:				
Current:				
General government	-	3,836	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital Outlay:				
General government	-	-	-	306,540
Public safety	-	-	-	-
Physical environment	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>3,836</u>	<u>-</u>	<u>306,540</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,538</u>	<u>1,288</u>	<u>4,787</u>	<u>(305,543)</u>
Other Financing Sources (Uses):				
Sale of general capital assets	-	39,855	-	-
Transfers in	-	-	-	172,500
Transfers out	-	-	-	-
Total other financing sources(uses)	<u>-</u>	<u>39,855</u>	<u>-</u>	<u>172,500</u>
Net Change in Fund Balances	4,538	41,143	4,787	(133,043)
Fund Balances - Beginning	<u>915,325</u>	<u>1,035,243</u>	<u>965,671</u>	<u>283,238</u>
Fund Balances - Ending	<u>\$ 919,863</u>	<u>\$ 1,076,386</u>	<u>\$ 970,458</u>	<u>\$ 150,195</u>

<u>Total Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 166,863
-	33,389
-	779,768
-	14,411
-	65,683
-	1,350,609
15,446	62,364
-	30,995
15,446	2,504,082
3,836	29,513
-	101,128
-	630,361
-	2,500
-	976,755
-	316,065
306,540	318,415
-	43,314
-	607,451
-	11,390
310,376	3,036,892
(294,930)	(532,810)
39,855	39,855
172,500	1,278,500
-	(107,212)
212,355	1,211,143
(82,575)	678,333
3,199,477	7,315,496
\$ 3,116,902	\$ 7,993,829

CITY OF WINTER SPRINGS, FLORIDA

POLICE EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 12,000	\$ 12,000	\$ 9,327	\$ (2,673)
Investment income	100	100	95	(5)
Miscellaneous	-	-	869	869
Total revenues	<u>12,100</u>	<u>12,100</u>	<u>10,291</u>	<u>(1,809)</u>
Expenditures:				
Current:				
Public Safety	<u>22,000</u>	<u>22,000</u>	<u>18,319</u>	<u>3,681</u>
Total expenditures	<u>22,000</u>	<u>22,000</u>	<u>18,319</u>	<u>3,681</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,900)</u>	<u>(9,900)</u>	<u>(8,028)</u>	<u>1,872</u>
Net change in fund balances	(9,900)	(9,900)	(8,028)	1,872
Fund balances - beginning	24,947	24,947	24,947	-
Fund balances - ending	<u>\$ 15,047</u>	<u>\$ 15,047</u>	<u>\$ 16,919</u>	<u>\$ 1,872</u>

CITY OF WINTER SPRINGS, FLORIDA

SPECIAL LAW ENFORCEMENT TRUST FUND - LOCAL
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ -	\$ 10,950	\$ 20,375	\$ 9,425
Investment income	75	75	137	62
Total revenues	<u>75</u>	<u>11,025</u>	<u>20,512</u>	<u>9,487</u>
Expenditures:				
Current:				
Public Safety	<u>23,305</u>	<u>26,105</u>	<u>20,676</u>	<u>5,429</u>
Total expenditures	<u>23,305</u>	<u>26,105</u>	<u>20,676</u>	<u>5,429</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(23,230)</u>	<u>(15,080)</u>	<u>(164)</u>	<u>14,916</u>
Net change in fund balances	(23,230)	(15,080)	(164)	14,916
Fund balances - beginning	<u>28,653</u>	<u>28,653</u>	<u>28,653</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,423</u>	<u>\$ 13,573</u>	<u>\$ 28,489</u>	<u>\$ 14,916</u>

CITY OF WINTER SPRINGS, FLORIDA

TRANSPORTATION IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenues	\$ 550,314	\$ 800,314	\$ 779,768	\$ (20,546)
Charges for services	-	13,582	14,411	829
Investment income	2,050	2,050	2,714	664
Miscellaneous	13,582	-	28	28
Total revenues	<u>565,946</u>	<u>815,946</u>	<u>796,921</u>	<u>(19,025)</u>
Expenditures:				
Current:				
Physical environment	179,200	182,200	146,722	35,478
Capital Outlay				
Physical environment	<u>380,900</u>	<u>627,900</u>	<u>596,793</u>	<u>31,107</u>
Total expenditures	<u>560,100</u>	<u>810,100</u>	<u>743,515</u>	<u>66,585</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,846</u>	<u>5,846</u>	<u>53,406</u>	<u>47,560</u>
Net change in fund balances	5,846	5,846	53,406	47,560
Fund balances - beginning	<u>592,001</u>	<u>592,001</u>	<u>592,001</u>	<u>-</u>
Fund balances - ending	<u>\$ 597,847</u>	<u>\$ 597,847</u>	<u>\$ 645,407</u>	<u>\$ 47,560</u>

CITY OF WINTER SPRINGS, FLORIDA

TRANSPORTATION IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ -	\$ 99,000	\$ 315,721	\$ 216,721
Investment income	1,900	1,900	3,223	1,323
Total revenues	<u>1,900</u>	<u>100,900</u>	<u>318,944</u>	<u>218,044</u>
Expenditures:				
Current:				
Physical environment	4,000	6,480	5,480	1,000
Capital Outlay				
Physical environment	<u>200,000</u>	<u>11,520</u>	<u>10,658</u>	<u>862</u>
Total expenditures	<u>204,000</u>	<u>18,000</u>	<u>16,138</u>	<u>1,862</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(202,100)</u>	<u>82,900</u>	<u>302,806</u>	<u>219,906</u>
Net change in fund balances	(202,100)	82,900	302,806	219,906
Fund balances - beginning	<u>580,253</u>	<u>580,253</u>	<u>580,253</u>	<u>-</u>
Fund balances - ending	<u>\$ 378,153</u>	<u>\$ 663,153</u>	<u>\$ 883,059</u>	<u>\$ 219,906</u>

CITY OF WINTER SPRINGS, FLORIDA

POLICE IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ -	\$ 71,500	\$ 75,152	\$ 3,652
Investment income	420	420	496	76
Total revenues	<u>420</u>	<u>71,920</u>	<u>75,648</u>	<u>3,728</u>
Expenditures:				
Capital Outlay				
Public Safety	40,000	40,000	39,624	376
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>39,624</u>	<u>376</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(39,580)</u>	<u>31,920</u>	<u>36,024</u>	<u>4,104</u>
Net change in fund balances	(39,580)	31,920	36,024	4,104
Fund balances - beginning	92,554	92,554	92,554	-
Fund balances - ending	<u>\$ 52,974</u>	<u>\$ 124,474</u>	<u>\$ 128,578</u>	<u>\$ 4,104</u>

CITY OF WINTER SPRINGS, FLORIDA

FIRE IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ -	\$ 76,300	\$ 151,879	\$ 75,579
Investment income	4,300	4,300	5,885	1,585
Total revenues	<u>4,300</u>	<u>80,600</u>	<u>157,764</u>	<u>77,164</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,300</u>	<u>80,600</u>	<u>157,764</u>	<u>77,164</u>
Net change in fund balances	4,300	80,600	157,764	77,164
Fund balances - beginning	<u>1,135,133</u>	<u>1,135,133</u>	<u>1,135,133</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,139,433</u>	<u>\$ 1,215,733</u>	<u>\$ 1,292,897</u>	<u>\$ 77,164</u>

CITY OF WINTER SPRINGS, FLORIDA

PARKS IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ -	\$ 183,600	\$ 195,600	\$ 12,000
Investment income	450	450	1,122	672
Total revenues	<u>450</u>	<u>184,050</u>	<u>196,722</u>	<u>12,672</u>
Expenditures:				
Capital Outlay				
Culture and recreation	-	13,400	11,390	2,010
Total expenditures	<u>-</u>	<u>13,400</u>	<u>11,390</u>	<u>2,010</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>450</u>	<u>170,650</u>	<u>185,332</u>	<u>14,682</u>
Net change in fund balances	450	170,650	185,332	14,682
Fund balances - beginning	141,079	141,079	141,079	-
Fund balances - ending	<u>\$ 141,529</u>	<u>\$ 311,729</u>	<u>\$ 326,411</u>	<u>\$ 14,682</u>

CITY OF WINTER SPRINGS, FLORIDA

ARBOR FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Permits and fees	\$ 13,000	\$ 13,000	\$ 33,389	\$ 20,389
Fines and forfeitures	2,000	2,000	22,286	20,286
Investment income	1,150	1,150	1,576	426
Total revenues	<u>16,150</u>	<u>16,150</u>	<u>57,251</u>	<u>41,101</u>
Expenditures:				
Current:				
Physical environment	9,050	9,050	8,840	210
Total expenditures	<u>9,050</u>	<u>9,050</u>	<u>8,840</u>	<u>210</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,100</u>	<u>7,100</u>	<u>48,411</u>	<u>41,311</u>
Other Financing Sources (Uses)				
Transfers out	<u>(14,647)</u>	<u>(14,647)</u>	<u>(14,647)</u>	<u>-</u>
Total other financing sources and uses	<u>(14,647)</u>	<u>(14,647)</u>	<u>(14,647)</u>	<u>-</u>
Net change in fund balances	(7,547)	(7,547)	33,764	41,311
Fund balances - beginning	303,746	303,746	303,746	-
Fund balances - ending	<u>\$ 296,199</u>	<u>\$ 296,199</u>	<u>\$ 337,510</u>	<u>\$ 41,311</u>

CITY OF WINTER SPRINGS, FLORIDA

TLBD MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ 495,000	\$ 495,000	\$ 497,545	\$ 2,545
Investment income	850	850	2,227	1,377
Miscellaneous	-	-	-	-
Total revenues	<u>495,850</u>	<u>495,850</u>	<u>499,772</u>	<u>3,922</u>
Expenditures:				
Current:				
Physical environment	<u>476,350</u>	<u>476,350</u>	<u>427,626</u>	<u>48,724</u>
Total expenditures	<u>476,350</u>	<u>476,350</u>	<u>427,626</u>	<u>48,724</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>19,500</u>	<u>19,500</u>	<u>72,146</u>	<u>52,646</u>
Other Financing Sources (Uses)				
Transfers out	<u>(73,969)</u>	<u>(73,969)</u>	<u>(73,969)</u>	<u>-</u>
Total other financing sources and uses	<u>(73,969)</u>	<u>(73,969)</u>	<u>(73,969)</u>	<u>-</u>
Net change in fund balances	<u>(54,469)</u>	<u>(54,469)</u>	<u>(1,823)</u>	<u>52,646</u>
Fund balances - beginning	<u>284,352</u>	<u>284,352</u>	<u>284,352</u>	<u>-</u>
Fund balances - ending	<u>\$ 229,883</u>	<u>\$ 229,883</u>	<u>\$ 282,529</u>	<u>\$ 52,646</u>

CITY OF WINTER SPRINGS, FLORIDA

OAK FOREST MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ 52,940	\$ 52,940	\$ 53,145	\$ 205
Investment income	175	175	365	190
Total revenues	<u>53,115</u>	<u>53,115</u>	<u>53,510</u>	<u>395</u>
Expenditures:				
Current:				
Physical environment	<u>40,325</u>	<u>40,325</u>	<u>37,766</u>	<u>2,559</u>
Total expenditures	<u>40,325</u>	<u>40,325</u>	<u>37,766</u>	<u>2,559</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>12,790</u>	<u>12,790</u>	<u>15,744</u>	<u>2,954</u>
Other Financing Sources (Uses)				
Transfers out	<u>(14,130)</u>	<u>(14,130)</u>	<u>(14,130)</u>	<u>-</u>
Total other financing sources and uses	<u>(14,130)</u>	<u>(14,130)</u>	<u>(14,130)</u>	<u>-</u>
Net change in fund balances	<u>(1,340)</u>	<u>(1,340)</u>	<u>1,614</u>	<u>2,954</u>
Fund balances - beginning	<u>52,206</u>	<u>52,206</u>	<u>52,206</u>	<u>-</u>
Fund balances - ending	<u>\$ 50,866</u>	<u>\$ 50,866</u>	<u>\$ 53,820</u>	<u>\$ 2,954</u>

CITY OF WINTER SPRINGS, FLORIDA

SPECIAL LAW ENFORCEMENT TRUST FUND - FEDERAL
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ -	\$ 21,300	\$ 13,695	\$ (7,605)
Investment income	175	175	265	90
Total revenues	<u>175</u>	<u>21,475</u>	<u>13,960</u>	<u>(7,515)</u>
Expenditures:				
Current:				
Public Safety	36,735	68,145	62,133	6,012
Capital Outlay				
Public Safety	-	3,690	3,690	-
Total expenditures	<u>36,735</u>	<u>71,835</u>	<u>65,823</u>	<u>6,012</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(36,560)</u>	<u>(50,360)</u>	<u>(51,863)</u>	<u>(1,503)</u>
Net change in fund balances	(36,560)	(50,360)	(51,863)	(1,503)
Fund balances - beginning	70,636	70,636	70,636	-
Fund balances - ending	<u>\$ 34,076</u>	<u>\$ 20,276</u>	<u>\$ 18,773</u>	<u>\$ (1,503)</u>

CITY OF WINTER SPRINGS, FLORIDA

TUSCAWILLA PHASE III
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ -	\$ 17,100	\$ 17,100	\$ -
Investment income	-	-	11	11
Total revenues	<u>-</u>	<u>17,100</u>	<u>17,111</u>	<u>11</u>
Expenditures:				
Current:				
General government	-	24,706	24,706	-
Capital Outlay				
General government	-	11,875	11,875	-
Total expenditures	<u>-</u>	<u>36,581</u>	<u>36,581</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(19,481)</u>	<u>(19,470)</u>	<u>11</u>
Other Financing Sources (Uses)				
Note proceeds	-	63,720	-	63,720
Transfers out	-	(3,466)	(3,466)	-
Total other financing sources and uses	<u>-</u>	<u>60,254</u>	<u>(3,466)</u>	<u>63,720</u>
Net change in fund balances	<u>-</u>	<u>40,773</u>	<u>(22,936)</u>	<u>(63,709)</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 40,773</u>	<u>\$ (22,936)</u>	<u>\$ (63,709)</u>

CITY OF WINTER SPRINGS, FLORIDA

2003 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 2,500	\$ 2,500	\$ 2,256	\$ (244)
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>2,256</u>	<u>(244)</u>
Expenditures:				
Debt Service:				
Principal	700,000	700,000	700,000	-
Interest and other charges	<u>175,000</u>	<u>175,000</u>	<u>174,448</u>	<u>552</u>
Total expenditures	<u>877,700</u>	<u>877,700</u>	<u>874,448</u>	<u>3,252</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(875,200)</u>	<u>(875,200)</u>	<u>(872,192)</u>	<u>3,008</u>
Other Financing Sources (Uses)				
Transfers in	<u>885,000</u>	<u>885,000</u>	<u>885,000</u>	<u>-</u>
Total other financing sources and uses	<u>885,000</u>	<u>885,000</u>	<u>885,000</u>	<u>-</u>
Net change in fund balances	9,800	9,800	12,808	3,008
Fund balances - beginning	<u>799,887</u>	<u>799,887</u>	<u>799,887</u>	<u>-</u>
Fund balances - ending	<u>\$ 809,687</u>	<u>\$ 809,687</u>	<u>\$ 812,695</u>	<u>\$ 3,008</u>

CITY OF WINTER SPRINGS, FLORIDA

1999 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 650	\$ 650	\$ 471	\$ (179)
Total revenues	<u>650</u>	<u>650</u>	<u>471</u>	<u>(179)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Debt Service:				
Principal	149,250	149,250	149,238	12
Interest and other charges	<u>31,000</u>	<u>31,000</u>	<u>30,179</u>	<u>821</u>
Total expenditures	<u>180,250</u>	<u>180,250</u>	<u>179,417</u>	<u>833</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(179,600)</u>	<u>(179,600)</u>	<u>(178,946)</u>	<u>654</u>
Other Financing Sources (Uses)				
Transfers in	<u>194,000</u>	<u>194,000</u>	<u>194,000</u>	<u>-</u>
Total other financing sources and uses	<u>194,000</u>	<u>194,000</u>	<u>194,000</u>	<u>-</u>
Net change in fund balances	14,400	14,400	15,054	654
Fund balances - beginning	<u>161,701</u>	<u>161,701</u>	<u>161,701</u>	<u>-</u>
Fund balances - ending	<u>\$ 176,101</u>	<u>\$ 176,101</u>	<u>\$ 176,755</u>	<u>\$ 654</u>

CITY OF WINTER SPRINGS, FLORIDA

OAK FOREST DEBT SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ 58,400	\$ 58,400	\$ 17,536	\$ (40,864)
Investment income	50	50	19,577	19,527
Miscellaneous	-	-	21,972	21,972
Total revenues	<u>58,450</u>	<u>58,450</u>	<u>59,085</u>	<u>635</u>
Expenditures:				
Current:				
Physical environment	4,150	4,150	3,927	223
Debt Service:				
Principal	46,152	46,152	-	46,152
Interest and other charges	5,848	5,848	5,848	-
Total expenditures	<u>56,150</u>	<u>56,150</u>	<u>9,775</u>	<u>46,375</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,300</u>	<u>2,300</u>	<u>49,310</u>	<u>47,010</u>
Other Financing Sources (Uses)				
Transfers out	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Total other financing sources and uses	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Net change in fund balances	1,800	1,800	48,810	47,010
Fund balances - beginning	<u>(217,020)</u>	<u>(217,020)</u>	<u>(217,020)</u>	<u>-</u>
Fund balances - ending	<u>\$ (215,220)</u>	<u>\$ (215,220)</u>	<u>\$ (168,210)</u>	<u>\$ 47,010</u>

CITY OF WINTER SPRINGS, FLORIDA

CENTRAL WINDS GO DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Taxes:				
Property taxes	\$ 166,373	\$ 166,373	\$ 166,863	\$ 490
Investment income	250	250	721	471
Total revenues	<u>166,623</u>	<u>166,623</u>	<u>167,584</u>	<u>961</u>
Expenditures:				
Current:				
Culture and recreation	2,500	2,500	2,500	-
Debt Service:				
Principal	100,600	100,600	100,586	14
Interest and fiscal charges	100,000	100,000	99,977	23
Total expenditures	<u>203,100</u>	<u>203,100</u>	<u>203,063</u>	<u>37</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(36,477)</u>	<u>(36,477)</u>	<u>(35,479)</u>	<u>998</u>
Other Financing Sources (Uses)				
Transfers in	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Total other financing sources (uses)	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(9,477)</u>	<u>(9,477)</u>	<u>(8,479)</u>	<u>998</u>
Fund Balances - Beginning	<u>50,549</u>	<u>50,549</u>	<u>50,549</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 41,072</u>	<u>\$ 41,072</u>	<u>\$ 42,070</u>	<u>\$ 998</u>

CITY OF WINTER SPRINGS, FLORIDA

TLBD PHASE II DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Impact fees/assessments	\$ 40,588	\$ 40,588	\$ 26,931	\$ (13,657)
Investment income	60	60	5,777	5,717
Miscellaneous	-	-	8,126	8,126
Total revenues	<u>40,648</u>	<u>40,648</u>	<u>40,834</u>	<u>186</u>
Expenditures:				
Current:				
General government	1,070	1,070	971	99
Debt Service:				
Principal	27,000	27,000	26,931	69
Interest and other charges	<u>5,700</u>	<u>5,700</u>	<u>5,613</u>	<u>87</u>
Total expenditures	<u>33,770</u>	<u>33,770</u>	<u>33,515</u>	<u>255</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,878</u>	<u>6,878</u>	<u>7,319</u>	<u>441</u>
Other Financing Sources (Uses)				
Transfers out	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Total other financing sources and uses	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
Net change in fund balances	6,378	6,378	6,819	441
Fund balances - beginning	<u>15,342</u>	<u>15,342</u>	<u>15,342</u>	<u>-</u>
Fund balances - ending	<u>\$ 21,720</u>	<u>\$ 21,720</u>	<u>\$ 22,161</u>	<u>\$ 441</u>

CITY OF WINTER SPRINGS, FLORIDA

**1999 CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 1,800	\$ 1,800	\$ 4,538	\$ 2,738
Total revenues	<u>1,800</u>	<u>1,800</u>	<u>4,538</u>	<u>2,738</u>
Expenditures:				
Capital Outlay				
Culture and recreation	1,206,624	-	-	-
Total expenditures	<u>1,206,624</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,204,824)</u>	<u>1,800</u>	<u>4,538</u>	<u>2,738</u>
Other Financing Sources (Uses)				
Transfers in	300,000	-	-	-
Total other financing sources and uses	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(904,824)</u>	<u>1,800</u>	<u>4,538</u>	<u>2,738</u>
Fund balances - beginning	<u>915,325</u>	<u>915,325</u>	<u>915,325</u>	<u>-</u>
Fund balances - ending	<u>\$ 10,501</u>	<u>\$ 917,125</u>	<u>\$ 919,863</u>	<u>\$ 2,738</u>

CITY OF WINTER SPRINGS, FLORIDA

REVOLVING REHAB FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 4,100	\$ 4,100	\$ 5,124	\$ 1,024
Total revenues	<u>4,100</u>	<u>4,100</u>	<u>5,124</u>	<u>1,024</u>
Expenditures:				
Current:				
General government	3,500	5,400	3,836	1,564
Total expenditures	<u>3,500</u>	<u>5,400</u>	<u>3,836</u>	<u>1,564</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>600</u>	<u>(1,300)</u>	<u>1,288</u>	<u>2,588</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	600	(1,300)	41,143	42,443
Fund balances - beginning	1,035,243	1,035,243	1,035,243	-
Fund balances - ending	<u>\$ 1,035,843</u>	<u>\$ 1,033,943</u>	<u>\$ 1,076,386</u>	<u>\$ 42,443</u>

CITY OF WINTER SPRINGS, FLORIDA

PUBLIC FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 1,900	\$ 1,900	\$ 4,787	\$ 2,887
Total revenues	<u>1,900</u>	<u>1,900</u>	<u>4,787</u>	<u>2,887</u>
Expenditures:				
Capital Outlay				
Physical environment	964,388	-	-	-
Total expenditures	<u>964,388</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(962,488)</u>	<u>1,900</u>	<u>4,787</u>	<u>2,887</u>
Net change in fund balances	(962,488)	1,900	4,787	2,887
Fund balances - beginning	965,671	965,671	965,671	-
Fund balances - ending	<u>\$ 3,183</u>	<u>\$ 967,571</u>	<u>\$ 970,458</u>	<u>\$ 2,887</u>

CITY OF WINTER SPRINGS, FLORIDA

EXCELLENCE IN CUSTOMER SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For The Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 997	\$ 997
Total revenues	<u>-</u>	<u>-</u>	<u>997</u>	<u>997</u>
Expenditures:				
Capital Outlay				
General government	172,500	307,993	306,540	1,453
Total expenditures	<u>172,500</u>	<u>307,993</u>	<u>306,540</u>	<u>1,453</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(172,500)</u>	<u>(307,993)</u>	<u>(305,543)</u>	<u>2,450</u>
Other Financing Sources (Uses)				
Transfers in	172,500	172,500	172,500	-
Total other financing sources and uses	<u>172,500</u>	<u>172,500</u>	<u>172,500</u>	<u>-</u>
Net change in fund balances	-	(135,493)	(133,043)	2,450
Fund balances - beginning	283,238	283,238	283,238	-
Fund balances - ending	<u>\$ 283,238</u>	<u>\$ 147,745</u>	<u>\$ 150,195</u>	<u>\$ 2,450</u>

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the *City of Winter Springs*' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall health.

<u>Contents</u>	<u>Page</u>
Financial Trends	114
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	121
These schedules contain information to help the reader assess the government's most significant local revenue.	
Debt Capacity	126
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
There are no limitations placed upon the amount of debt the <i>City of Winter Springs</i> may issue by either the City's Charter or the City's Code or by Florida Statutes.	
Demographic and Economic Information	132
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	134
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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CITY OF WINTER SPRINGS, FLORIDA

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities										
Net investment in capital assets	\$ 20,798	\$ 26,523	\$ 29,401	\$ 37,530	\$ 39,371	\$ 40,701	\$ 42,819	\$ 43,961	\$ 40,328	\$ 44,711
Restricted	6,943	9,730	11,078	8,714	8,778	8,298	8,229	8,287	8,305	8,963
Unrestricted	<u>14,128</u>	<u>9,875</u>	<u>13,666</u>	<u>17,432</u>	<u>14,468</u>	<u>13,794</u>	<u>14,349</u>	<u>13,241</u>	<u>17,136</u>	<u>12,856</u>
Total governmental activities net position	<u>\$ 41,869</u>	<u>\$ 46,128</u>	<u>\$ 54,145</u>	<u>\$ 63,676</u>	<u>\$ 62,617</u>	<u>\$ 62,793</u>	<u>\$ 65,397</u>	<u>\$ 65,489</u>	<u>\$ 65,769</u>	<u>\$ 66,530</u>
Business-type activities										
Net investment in capital assets	\$ 11,361	\$ 11,521	\$ 11,763	\$ 12,679	\$ 12,692	\$ 13,039	\$ 15,839	\$ 17,973	\$ 20,937	\$ 20,729
Restricted	2,347	2,500	2,612	2,735	2,814	2,549	1,730	461	507	468
Unrestricted	<u>8,912</u>	<u>7,645</u>	<u>9,555</u>	<u>8,721</u>	<u>5,135</u>	<u>3,369</u>	<u>3,264</u>	<u>3,227</u>	<u>4,213</u>	<u>6,472</u>
Total business-type activities net position	<u>\$ 22,620</u>	<u>\$ 21,666</u>	<u>\$ 23,930</u>	<u>\$ 24,135</u>	<u>\$ 20,641</u>	<u>\$ 18,957</u>	<u>\$ 20,833</u>	<u>\$ 21,661</u>	<u>\$ 25,657</u>	<u>\$ 27,669</u>
Primary government										
Net investment in capital assets	\$ 32,159	\$ 38,044	\$ 41,164	\$ 50,209	\$ 52,063	\$ 53,740	\$ 58,658	\$ 61,934	\$ 61,265	\$ 65,440
Restricted	9,290	12,230	13,690	11,449	11,592	10,847	9,959	8,748	8,812	9,431
Unrestricted	<u>23,040</u>	<u>17,520</u>	<u>23,221</u>	<u>26,153</u>	<u>19,603</u>	<u>17,163</u>	<u>17,613</u>	<u>16,468</u>	<u>21,349</u>	<u>19,328</u>
Total primary government net position	<u>\$ 64,489</u>	<u>\$ 67,794</u>	<u>\$ 78,075</u>	<u>\$ 87,811</u>	<u>\$ 83,258</u>	<u>\$ 81,750</u>	<u>\$ 86,230</u>	<u>\$ 87,150</u>	<u>\$ 91,426</u>	<u>\$ 94,199</u>

CITY OF WINTER SPRINGS, FLORIDA

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Expenses	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
General government	\$ 5,421	\$ 5,786	\$ 7,732	\$ 8,452	\$ 6,857	\$ 5,801	\$ 5,720	\$ 5,381	\$ 5,069	\$ 4,903
Public safety	8,703	9,138	10,016	10,726	11,299	7,196	7,356	7,671	7,102	7,415
Physical environment	8,779	5,561	2,038	2,390	5,694	6,281	5,654	5,610	5,589	5,658
Culture and recreation	1,989	2,265	2,393	2,739	2,511	2,554	2,323	2,161	2,043	2,078
Interest and other fiscal charges on long-term debt	764	763	709	683	965	959	944	907	833	773
Total governmental activities expenses	<u>25,656</u>	<u>23,513</u>	<u>22,888</u>	<u>24,990</u>	<u>27,326</u>	<u>22,791</u>	<u>21,997</u>	<u>21,730</u>	<u>20,636</u>	<u>20,827</u>
Business-type activities:										
Water and Sewer	5,717	6,000	6,239	6,522	7,151	7,143	7,447	7,186	6,512	7,040
Development Services	744	627	679	860	687	436	349	333	342	369
Stormwater	671	974	831	983	1,040	1,625	916	979	976	1,155
Total business-type activities expenses	<u>\$ 7,132</u>	<u>\$ 7,601</u>	<u>\$ 7,749</u>	<u>\$ 8,365</u>	<u>\$ 8,878</u>	<u>\$ 9,204</u>	<u>\$ 8,712</u>	<u>\$ 8,498</u>	<u>\$ 7,830</u>	<u>\$ 8,564</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,924	\$ 1,985	\$ 472	\$ 376	\$ 2,008	\$ 2,006	\$ 2,378	\$ 2,075	\$ 2,021	\$ 1,838
Public safety	782	720	1,207	1,054	930	589	608	369	424	461
Physical environment	721	589	3,485	3,435	4,529	3,139	3,191	3,139	3,168	3,347
Culture and recreation	833	823	949	765	281	295	301	260	391	430
Operating grants and contributions	5,411	2,177	168	115	208	41	485	89	221	-
Capital grants and contributions	2,291	1,962	2,459	6,484	2,628	2,442	2,935	1,985	1,056	2,043
Total governmental activities program revenues	<u>11,962</u>	<u>8,256</u>	<u>8,740</u>	<u>12,229</u>	<u>10,584</u>	<u>8,512</u>	<u>9,898</u>	<u>7,917</u>	<u>7,281</u>	<u>8,119</u>
Business-type activities:										
Charges for services:										
Water and Sewer	7,026	7,256	7,837	7,589	7,252	7,339	8,015	8,837	9,363	8,540
Development Services	1,324	1,008	2,482	923	573	269	331	339	1,100	1,099
Stormwater	577	754	1,149	1,070	1,074	1,063	1,051	1,068	1,117	995
Operating grants and contributions	-	348	69	-	-	483	-	46	-	-
Capital grants and contributions	2,180	975	1,329	1,176	224	14	2,885	709	2,226	2,062
Total business-type activities program revenues	<u>11,107</u>	<u>10,341</u>	<u>12,866</u>	<u>10,758</u>	<u>9,123</u>	<u>9,168</u>	<u>12,282</u>	<u>10,999</u>	<u>13,806</u>	<u>12,696</u>
Total government program revenues	<u>\$ 23,069</u>	<u>\$ 18,597</u>	<u>\$ 21,606</u>	<u>\$ 22,987</u>	<u>\$ 19,707</u>	<u>\$ 17,680</u>	<u>\$ 22,180</u>	<u>\$ 18,916</u>	<u>\$ 21,087</u>	<u>\$ 20,815</u>

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (expense)/revenue										
Governmental activities	\$ (13,694)	\$ (15,257)	\$ (14,148)	\$ (12,761)	\$ (16,742)	\$ (14,279)	\$ (12,099)	\$ (13,813)	\$ (13,355)	\$ (12,708)
Business-type activities	3,975	2,740	5,117	2,393	245	(36)	3,570	2,501	5,976	4,132
Total government net expense	<u>\$ (9,719)</u>	<u>\$ (12,517)</u>	<u>\$ (9,031)</u>	<u>\$ (10,368)</u>	<u>\$ (16,497)</u>	<u>\$ (14,315)</u>	<u>\$ (8,529)</u>	<u>\$ (11,312)</u>	<u>\$ (7,379)</u>	<u>\$ (8,576)</u>

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes										
Property taxes	\$ 5,653	\$ 6,198	\$ 7,383	\$ 8,266	\$ 7,130	\$ 5,013	\$ 4,538	\$ 4,209	\$ 3,901	\$ 3,853
Utility taxes	4,807	4,984	5,751	5,841	3,976	4,106	4,536	4,169	3,963	3,923
Business tax receipts	-	-	-	-	140	70	204	119	106	109
Intergovernmental revenues - unrestricted	3,243	3,681	3,971	3,752	3,445	2,960	2,897	3,015	3,044	3,100
Investment income and miscellaneous	587	687	1,708	1,619	675	614	731	532	573	454
Gain (Loss) on disposal of capital assets	-	-	-	-	-	-	-	-	-	34
Transfers	2,294	3,967	3,352	2,813	2,189	1,691	1,796	1,862	2,047	2,070
Total governmental activities	<u>16,584</u>	<u>19,517</u>	<u>22,165</u>	<u>22,291</u>	<u>17,555</u>	<u>14,454</u>	<u>14,702</u>	<u>13,906</u>	<u>13,634</u>	<u>13,543</u>
Business-type activities:										
Investment income and miscellaneous	141	272	500	625	198	42	103	189	67	88
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(2,294)	(3,967)	(3,352)	(2,813)	(2,189)	(1,691)	(1,796)	(1,862)	(2,047)	(2,070)
Total business-type activities	<u>(2,153)</u>	<u>(3,695)</u>	<u>(2,852)</u>	<u>(2,188)</u>	<u>(1,991)</u>	<u>(1,649)</u>	<u>(1,693)</u>	<u>(1,673)</u>	<u>(1,980)</u>	<u>(1,982)</u>
Total government	<u>\$ 14,431</u>	<u>\$ 15,822</u>	<u>\$ 19,313</u>	<u>\$ 20,103</u>	<u>\$ 15,564</u>	<u>\$ 12,805</u>	<u>\$ 13,009</u>	<u>\$ 12,233</u>	<u>\$ 11,654</u>	<u>\$ 11,561</u>

Change in Net Position

Governmental activities	\$ 2,890	\$ 4,260	\$ 8,017	\$ 9,530	\$ 813	\$ 175	\$ 2,603	\$ 93	\$ 279	\$ 835
Business-type activities	1,822	(955)	2,265	205	(1,746)	(1,685)	1,877	828	3,996	2,150
Total government	<u>\$ 4,712</u>	<u>\$ 3,305</u>	<u>\$ 10,282</u>	<u>\$ 9,735</u>	<u>\$ (933)</u>	<u>\$ (1,510)</u>	<u>\$ 4,480</u>	<u>\$ 921</u>	<u>\$ 4,275</u>	<u>\$ 2,985</u>

Note

¹ The increase from prior period was caused by 2004 Hurricanes Charley, Frances & Jeanne, and accrued FEMA reimbursement.

CITY OF WINTER SPRINGS, FLORIDA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Tax ¹</u>	<u>Utility Tax</u>	<u>Business Tax Receipts ²</u>	<u>Total</u>
2004	5,653	1,360	3,447	-	10,460
2005	6,198	1,480	3,504	-	11,182
2006	7,383	1,919	3,832	-	13,134
2007	8,265	1,921	3,920	-	14,106
2008	7,130	-	3,976	140	11,246
2009	5,013	-	4,106	70	9,189
2010	4,538	-	4,536	204	9,278
2011	4,209	-	4,169	119	8,497
2012	3,901	-	3,963	106	7,970
2013	3,853	-	3,923	109	7,885

Taxes included in Unrestricted Intergovernmental Revenues

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>State Revenue Sharing</u>	<u>Other</u>	<u>Total</u>
2004	2,258	843	142	3,243
2005	2,447	1,076	158	3,681
2006	2,701	1,123	147	3,971
2007	2,443	1,108	201	3,752
2008	2,261	1,021	163	3,445
2009	1,944	907	109	2,960
2010	1,852	893	152	2,897
2011	1,873	916	226	3,015
2012	1,918	962	164	3,044
2013	1,994	972	134	3,100

Note

¹ Franchise fees were classified as taxes prior to fiscal year 2008

² Business tax receipts (formerly known as Occupational licenses) were classified as licenses and permits prior to fiscal year 2008

CITY OF WINTER SPRINGS, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund										
Reserved	\$ 264	\$ 372	\$ 455	\$ 468	\$ 301	\$ 235	\$ 235			
Unreserved	<u>4,892</u>	<u>5,479</u>	<u>7,802</u>	<u>8,631</u>	<u>8,800</u>	<u>8,544</u>	<u>8,544</u>			
Total general fund	<u>\$ 5,156</u>	<u>\$ 5,851</u>	<u>\$ 8,257</u>	<u>\$ 9,099</u>	<u>\$ 9,101</u>	<u>\$ 8,779</u>	<u>\$ 8,779</u>			
All other governmental funds										
Reserved	\$ 874	\$ 979	\$ 1,058	\$ 1,108	\$ 1,159	\$ 1,141	\$ 1,141			
Unreserved, reported in:										
Special revenue funds	4,384	4,794	6,770	6,691	6,647	6,724	6,724			
Capital projects funds	<u>2,818</u>	<u>5,664</u>	<u>5,830</u>	<u>3,553</u>	<u>3,852</u>	<u>2,854</u>	<u>2,854</u>			
Total all other governmental funds	<u>\$ 8,076</u>	<u>\$ 11,437</u>	<u>\$ 13,658</u>	<u>\$ 11,352</u>	<u>\$ 11,658</u>	<u>\$ 10,719</u>	<u>\$ 10,719</u>			
General fund										
Nonspendable							\$ 1,179	\$ 650	\$ 409	
Assigned							607	343	581	
Unassigned							<u>7,044</u>	<u>7,839</u>	<u>7,498</u>	
Total general fund							<u>\$ 8,830</u>	<u>\$ 8,832</u>	<u>\$ 8,488</u>	
All other governmental funds										
Restricted							\$ 4,825	\$ 4,470	\$ 5,468	
Committed							1,616	1,687	1,528	
Assigned							4,710	5,509	5,589	
Unassigned							<u>(264)</u>	<u>(217)</u>	<u>(191)</u>	
Total all other governmental funds							<u>\$ 10,887</u>	<u>\$ 11,449</u>	<u>\$ 12,394</u>	

Note: City implemented GASB 54 for the 2011 fiscal year

CITY OF WINTER SPRINGS, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues										
Taxes										
Property	\$ 5,653	\$ 6,198	\$ 7,384	\$ 8,266	\$ 6,912	\$ 4,799	\$ 4,345	\$ 4,030	\$ 3,733	\$ 3,686
Franchise	1,360	1,480	1,918	1,921	-	-	-	-	-	-
Utility	3,447	3,504	3,832	3,920	3,976	4,106	4,536	4,169	3,963	3,923
Special Assessments	301	319	552	-	-	-	-	-	-	-
General Obligation	329	359	220	212	218	214	193	179	168	167
Business Tax	-	-	-	-	140	71	204	119	105	109
Other	-	-	-	-	-	-	-	-	-	-
Licenses and Permits										
Franchise Fees	-	-	-	-	1,788	1,924	2,313	1,999	1,868	1,672
Other	932	658	2,221	217	157	67	38	44	63	75
Intergovernmental	5,664	13,021	5,369	7,380	7,111	4,707	5,628	5,447	3,948	4,684
Charges for services	2,432	2,544	3,093	3,536	3,441	2,955	2,929	2,922	2,979	2,858
Fines and forfeitures	311	296	320	326	318	298	566	289	211	165
Impact fees/assessments	-	-	-	1,403 ²	2,131 ²	875	721	685	1,000	1,380
Investment income	343	573	1,218	1,477	521	214	439	308	280	195
Miscellaneous	244	444	546	170	175	399	292	224	293	328
Total revenues	<u>21,016</u>	<u>29,396</u>	<u>26,673</u>	<u>28,828</u>	<u>26,888</u>	<u>20,629</u>	<u>22,204</u>	<u>20,415</u>	<u>18,611</u>	<u>19,242</u>
Expenditures										
General government	4,861	5,603	5,035	5,780	6,046	5,804	5,401	5,441	4,842	4,995
Public safety	8,035	8,639	9,164	10,199	10,671	6,834	6,890	7,156	6,584	6,918
Physical Environment ¹	7,993	4,304	3,360	4,060	4,266	4,694	4,015	3,939	3,873	3,927
Culture and recreation	1,693	1,906	1,978	2,002	2,163	2,112	1,878	1,737	1,644	1,702
Capital outlay	4,752	2,186	4,521	9,801	4,740	2,787	2,738	2,681	1,814	1,834
Debt service										
Principal	1,807	5,898	1,153	911	967	1,091	1,996	2,387	5,342	1,007
Interest	700	771	700	693	665	640	594	584	485	373
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Other charges	-	-	17	-	-	-	-	15	-	-
Total expenditures	<u>29,841</u>	<u>29,307</u>	<u>25,928</u>	<u>33,446</u>	<u>29,518</u>	<u>23,962</u>	<u>23,512</u>	<u>23,940</u>	<u>24,584</u>	<u>20,756</u>
Excess of revenues over (under) expenditures	(8,825)	89	745	(4,618)	(2,630)	(3,333)	(1,308)	(3,525)	(5,973)	(1,514)

Other financing sources (uses)										
Transfers in	8,894	9,733	9,999	10,209	10,620	8,372	9,616	3,836	3,911	3,422
Transfers out	(6,600)	(5,766)	(6,647)	(7,396)	(8,432)	(6,680)	(7,811)	(1,965)	(1,879)	(1,350)
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-	-	-
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Notes issued	5,680	-	430	-	750	-	-	1,377	4,504	-
Refunding note issued	496	-	-	-	-	-	-	-	-	-
Capital leases	-	-	100	341	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	40
Total other financing sources (uses)	<u>8,470</u>	<u>3,967</u>	<u>3,882</u>	<u>3,154</u>	<u>2,938</u>	<u>1,692</u>	<u>1,805</u>	<u>3,248</u>	<u>6,536</u>	<u>2,112</u>
Prior Period Fund Balance Adjustment	-	-	-	-	-	380	-	-	-	-
Net change in fund balances	<u>\$ (355)</u>	<u>\$ 4,056</u>	<u>\$ 4,627</u>	<u>\$ (1,464)</u>	<u>\$ 308</u>	<u>\$ (1,261)</u>	<u>\$ 497</u>	<u>\$ (277)</u>	<u>\$ 563</u>	<u>\$ 598</u>
Debt service as a percentage of noncapital expenditures	11.10%	32.61%	9.48%	7.28%	6.59%	8.21%	14.24%	13.98%	25.60%	7.29%

Note

² Impact Fees classified as Intergovernmental Revenue prior to fiscal year 2007.

³ Special Assessments classified as Taxes prior to fiscal year 2007.

⁴ Franchise fees were classified as Taxes prior to fiscal year 2008

⁵ Business Tax receipts (formerly known as Occupational Licenses) were classified as Licenses and permits prior to fiscal year 2008

CITY OF WINTER SPRINGS, FLORIDA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended September 30,	Real Property							Total Taxable Assessed Value ¹	Total Direct Tax Rate ²	Estimated Actual Taxable Value ¹
	Total Residential and Commercial Real Property ¹	Residential Property ¹	% Residential	Commercial Property ¹	Personal Property ¹	Centrally Assessed ¹	Tax Exempt Real Property ¹			
2004	\$ 1,826,180	\$ 1,652,632	90.50%	\$ 173,548	\$ 45,709	\$ 48	\$ 505,952	\$ 1,365,985	4.5500	\$ 1,916,005
2005	2,007,522	1,833,417	91.33%	174,105	49,733	55	574,194	1,483,116	4.5500	2,080,192
2006	2,331,039	2,088,308	89.59%	242,731	58,571	33	728,569	1,661,074	4.7500	2,458,480
2007	3,131,636	2,792,826	89.18%	338,810	67,509	33	1,195,372	2,003,806	4.4019	3,176,939
2008	3,519,584	3,161,336	89.82%	358,248	63,154	40	1,362,256	2,220,522	3.3518	3,716,575
2009	3,238,332	2,847,791	87.94%	390,541	63,531	41	1,292,735	2,009,169	2.5814	3,400,519
2010	2,695,560	2,353,321	87.30%	342,239	67,145	42	952,939	1,809,808	2.5814	2,804,819
2011	2,399,728	2,099,825	87.50%	299,903	66,659	43	778,996	1,687,434	2.5814	2,577,252
2012	2,174,531	1,890,388	86.93%	284,143	68,075	47	648,788	1,593,864	2.5600	2,251,660
2013	2,086,990	1,826,517	87.52%	260,473	67,121	47	581,857	1,572,301	2.5400	2,173,721

Note

¹ Source: Seminole County Property Appraiser (www.scpafl.org)

² Source: Seminole County Tax Collector (www.seminoletax.org)

CITY OF WINTER SPRINGS, FLORIDA

PROPERTY TAX RATES
DIRECT AND OVERLAPPING¹ GOVERNMENTS

Last Ten Fiscal Years ²

Overlapping Rates ¹

Fiscal Year	Winter Springs			Seminole County			School District			St. John's Water Management District	County Fire Protection (MSTU)	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage			
2004	4.3000	0.2500	4.5500	4.9989	0.1910	5.1899	8.2410	0.4950	8.7360	0.4620	0.0000	18.9379
2005	4.3000	0.2500	4.5500	4.9989	0.1721	5.1710	8.1270	0.3850	8.5120	0.4620	0.0000	18.6950
2006	4.6126	0.1374	4.7500	4.9989	0.2041	5.2030	7.9650	0.0000	7.9650	0.4620	0.0000	18.3800
2007	4.2919	0.1100	4.4019	4.9989	0.1451	5.1440	7.7530	0.0000	7.7530	0.4620	0.0000	17.7609
2008 ³	3.2496	0.1022	3.3518	4.3578	0.1451	4.5029	7.4130	0.0000	7.4130	0.4158	0.0000	15.6835
2009	2.4714	0.1100	2.5814	4.5153	0.1451	4.6604	7.5430	0.0000	7.5430	0.4158	2.3299	17.5305
2010	2.4714	0.1100	2.5814	4.9000	0.1451	5.0451	7.7230	0.0000	7.7230	0.4158	2.3299	18.0952
2011	2.4714	0.1100	2.5814	4.8751	0.1700	5.0451	7.8010	0.0000	7.8010	0.4158	2.3299	18.1732
2012	2.4500	0.1100	2.5600	4.8751	0.1700	5.0451	7.7220	0.0000	7.7220	0.3313	2.3299	17.9883
2013	2.4300	0.1100	2.5400	4.8751	0.1700	5.0451	7.5530	0.0000	7.5530	0.3313	2.3299	17.7993

Note

Source: Seminole County Tax Collector (www.seminoletax.org)

¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Winter Springs.

² Taxes levied for the fiscal year are based on the prior year taxable value.

³ Fire Assessment fee was billed and City Millage rate was reduced for first year (only one year of fire assessment).

CITY OF WINTER SPRINGS, FLORIDA

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS

Last Ten Fiscal Years

Tax Year	Fiscal Year	Oak Forest			Tuskawilla Lighting and Beautification (TLBD) - Phase I			Tuskawilla Lighting and Beautification (TLBD) - Phase II		
		Assessments Billed	Assessments Collected ¹	Difference	Assessments Billed ²	Assessments Collected ¹	Difference	Assessments Billed	Assessments Collected ¹	Difference
				\$	\$	\$	\$	\$	\$	\$
2003	2004	83,344	80,400	2,944	391,976	377,978	13,998	-	-	-
2004	2005	99,595	97,388	2,207	390,204	379,601	10,603	-	-	-
2005	2006	99,595	95,977	3,618	390,204	377,175	13,029	-	94,522	(94,522)
2006	2007	99,595	96,117	3,478	390,017	376,343	13,674	248,710	240,475	8,235
2007	2008	116,075	112,355	3,720	714,414	693,075	21,339	42,341	40,959	1,382
2008	2009	116,237	112,228	4,009	714,371	690,915	23,456	42,324	41,236	1,088
2009	2010	116,237	112,312	3,925	688,482	665,066	23,416	42,280	40,904	1,376
2010	2011	116,237	112,116	4,121	688,227	664,815	23,412	42,279	40,869	1,410
2011	2012	116,237	112,095	4,142	688,482	655,504	32,978	42,280	40,381	1,899
2012	2013	116,237	112,019	4,218	688,482	664,035	24,447	42,280	40,670	1,610

Note

¹ Includes prepayments.

² Beginning in fiscal year 2008, the TLBD Phase I and II maintenance assessment were combined and collected as one assessment. TLBD Maintenance and Phase I Capital are shown in the TLBD Phase I program amounts.

Special Assessment Debt Issued:

Oak Forest	June 2000 (Refinanced internally June of 2010)
TLBD Phase I	May 2001 (Refinanced October of 2011)
TLBD Phase II	February 2006; No assessment levied until Fiscal Year 2007.

CITY OF WINTER SPRINGS, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

September 30, 2013

(amounts expressed in thousands)

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Progress Energy Florida Corp	\$ 23,812	1	1.51%	\$ 11,227	3	0.82%
Laurel Oaks LLC	21,942	2	1.40%	24,088	1	1.76%
Courtney Springs LLC	18,273	3	1.16%	14,101	2	1.03%
United Dominion Realty Trust	7,225	4	0.46%	7,351	4	0.54%
Summer Falls LLC	7,019	5	0.45%			0.00%
Bright House Networks LLC	6,682	6	0.42%	3,319	10	0.24%
Winter Springs Holdings, Inc.	4,762	7	0.30%			0.00%
Meritage Homes of FL, Inc.	4,393	8	0.28%			0.00%
Pathfinder Landology Isis	4,186	9	0.27%			0.00%
Baxley Robert & Annmarie TRS	4,009	10	0.25%			0.00%
Capital Green I LLC	-		0.00%	6,711	5	0.49%
Tuscawilla Cay LLC & Trsc 54th LLC	-		0.00%	6,025	6	0.44%
Hacienda Village Co-Op Inc.	-		0.00%	4,717	7	0.35%
Centex Homes	-		0.00%	4,265	8	0.31%
Bell South Communication	-		0.00%	3,582	9	0.26%
Totals	<u>\$ 102,303</u>		<u>6.50%</u>	<u>\$ 85,386</u>		<u>6.24%</u>

Source: Seminole County Property Appraiser (www.scpaf.org)

CITY OF WINTER SPRINGS, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ²	Percentage of Levy		Amount	Percentage of Levy
2004	6,215,233 ³	5,982,716	96.26%	7,284	5,990,000	96.38%
2005	6,748,179 ³	6,546,002	97.00%	11,385	6,557,387	97.17%
2006	7,890,100 ³	7,591,158	96.21%	12,189	7,603,347	96.37%
2007	8,820,491 ³	8,475,408	96.09%	2,214	8,477,622	96.11%
2008	7,442,693 ³	7,145,070	96.00%	11,318	7,156,388	96.15%
2009	5,186,450 ³	5,028,524	96.96%	14,586	5,043,110	97.24%
2010	4,671,821 ³	4,503,950	96.41%	34,324	4,538,274	97.14%
2011	4,355,923 ³	4,203,079	96.49%	6,242	4,209,321	96.63%
2012	4,080,271 ³	3,933,840	96.41%	3,969	3,937,809	96.51%
2013	3,993,624 ³	3,850,616	96.42%	2,196	3,852,812	96.47%

Note

¹ Gross taxes before discount of 1% - 4%, depending on month paid; Source: Seminole County Property Appraiser (www.scpafl.org)

² Source: Seminole County Tax Collector (www.seminoletax.org)

³ Includes voted debt service not to exceed 0.2500 mills for Central Winds General Obligation Debt

CITY OF WINTER SPRINGS, FLORIDA

LEGAL DEBT MARGIN

September 30, 2013

Neither the City of Winter Springs Charter or Code, nor the Florida State Statutes limits the amount of debt the City of Winter Springs can issue.

CITY OF WINTER SPRINGS, FLORIDA

**RATIO OF NET GENERAL OBLIGATION DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA**

Last Ten Fiscal Years

Fiscal Year	Population ¹	Assessed Value ²	Gross		Net General Obligation Debt	Ratio of Net General Obligation	
			General Obligation Debt ³	Less Debt Service Fund ⁴		Debt to Assessed Value	Net General Obligation Debt Per Capita
2004	32,955	\$ 1,365,985,000	\$ 3,270,000	\$ 53,373	\$ 3,216,627	0.235%	\$ 98
2005	33,321	1,483,116,250	3,205,000	46,967	3,158,033	0.213%	95
2006	34,621	1,661,074,000	3,140,000	51,743	3,088,257	0.186%	89
2007	34,899	2,003,805,968	3,070,000	47,572	3,022,428	0.151%	87
2008	34,639	2,220,522,082	3,000,000	46,254	2,953,746	0.133%	85
2009	34,340	2,009,169,114	2,925,000	36,610	2,888,390	0.144%	84
2010	34,149	1,809,808,024	2,850,000	38,879	2,811,121	0.155%	82
2011	33,282	1,687,434,206	2,770,000	40,388	2,729,612	0.162%	82
2012	33,599	1,593,864,153	2,739,107	50,549	2,688,558	0.169%	80
2013	33,540	1,572,300,619	2,638,521	42,070	2,596,451	0.165%	77

Note

¹ Source: Synergos Technologies Inc.: PopStats at June 2008; Previous years statistics may have come from multiple sources including East Central Florida Regional Planning Council or University of Florida Bureau of Economic and Business Research and Metro Orlando Economic Development Commission (www.orlandoedc.com).

² Source: Seminole County Property Appraiser (www.scpafl.org)

³ Amount does not include special assessment bonds and revenue bonds

⁴ Amount available for repayment of limited general obligation note which in fiscal year 2012 served to refinance the 2002 general obligation bonds.

CITY OF WINTER SPRINGS, FLORIDA

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year Ended September 30,	Governmental Activities							Business-Type Activities				Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Revenue Bonds	Refunding Revenue Bonds ²	Limited General Obligation Bonds	Special Assessment Revenue Bonds	Refunding Notes	Limited General Obligation Notes	Capital Leases	Water and Sewer Revenue Bonds	Water and Sewer Refunding Revenue Bonds ²	State Revolving Loan	Capital Leases			
2004	\$ 5,861	\$ 15,654	\$ 3,270	\$ 2,180	\$ -	\$ -	\$ 206	\$ -	\$ 25,429	\$ -	\$ 64	\$ 52,664	*	\$1,598
2005	734	15,094	3,205	2,135	-	-	104	-	24,594	-	-	45,866	*	\$1,376
2006	479	14,504	3,140	2,427	-	-	100	-	23,724	-	-	44,374	4.53%	\$1,282
2007	439	13,884	3,070	2,354	-	-	333	-	22,829	-	-	42,909	4.42%	\$1,230
2008	1,125	13,234	3,000	2,276	-	-	228	-	21,884	-	-	41,747	4.06%	\$1,205
2009	1,011	12,554	2,925	2,165	-	-	117	-	20,904	-	-	39,676	3.77%	\$1,155
2010	-	11,834	2,850	2,091	-	-	-	-	19,889	-	-	36,664	3.50%	\$1,074
2011	-	9,614	2,770	2,005	1,377	-	-	5,669	13,066	-	-	34,501	2.97%	\$1,037
2012	-	8,929	-	-	3,260	2,739	-	5,669	12,152	-	-	32,749	2.77%	\$975
2013	-	8,264	-	-	3,054	2,639	-	5,651	10,897	1,711	-	32,216	2.92%	\$961

Note: Details regarding the city's outstanding debt can be found in the notes to the Financial Statements: Note 8: Long-Term Debt.

* Information is not available.

¹ See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population.

² Amounts do not include accreted Interest Payable for 1999 Improvement Refunding Revenue Bonds and 2000 Water and Sewer Refunding Revenue Bonds

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CITY OF WINTER SPRINGS, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2013

(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Overlapping Debt:			
Seminole County General Obligation Debt	\$ -		\$ -
Subtotal, overlapping debt			
Direct Debt:			
City of Winter Springs General Obligation Debt ²	2,639	100%	2,639
Governmental activities debt	11,318	100%	11,318
Total direct and overlapping debt	\$ 13,957		\$ 13,957

Note

Sources:

Seminole County Property Appraiser (www.scpaf1.org)

Seminole County Finance Department

Seminole County School Board

¹ Ratio of assessed valuation of taxable property in overlapping unit to that within the City of Winter Springs.

² The City of Winter Springs has a "limited" general obligation note that is being repaid through a levy not to exceed one quarter of one mill on all taxable property in the City.

CITY OF WINTER SPRINGS, FLORIDA

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

General Government												
Fiscal Year Ended Sept 30,	Public Service Taxes	Electric Franchise Fees	Half-Cent Sales Tax	General Obligation	Federal Emergency Management Agency Public Assistance Grants	Impact Fees (Fire, Police, Recreation and Public Facilities)	Non-Ad Valorem Special Assessments	Medical Transport Revenue	Budget & Appropriations (General Fund and Water & Sewer Fund)	Total Revenue Available for Debt Service	Maximum Annual Debt Service	Coverage
2004	\$ 3,446,874	\$ 1,322,280	\$ 160,000	\$ 328,668	\$ -	\$ 328,143	\$ 458,378	\$ 76,487	\$ 339,685	\$ 6,460,515	\$ 2,417,562	2.67
2005	3,504,158	1,436,996	160,000	358,960	7,127,760	166,203	476,989	-	-	13,231,066	6,858,968	1.93
2006	3,831,569	1,775,460	160,000	219,736	-	518,072	567,674	-	-	7,072,511	2,038,741	3.47
2007	3,919,603	1,759,245	160,000	212,077	-	- ³	712,935	-	30,000	6,793,863	1,751,594	3.88
2008	3,975,766	1,748,477	160,000	217,872	-	-	846,389	-	60,000	7,008,504	1,828,176	3.83
2009	4,105,959	1,823,706	160,000	213,629	-	-	844,379	-	60,000	7,207,673	2,615,188	2.76
2010	4,536,004	2,173,849	160,000	193,396	-	-	180,254	-	-	7,243,503	1,961,933	3.69
2011	4,168,867	1,873,785	160,000	179,408	-	-	180,787	-	-	6,562,847	1,912,847	3.43
2012	3,963,093	1,748,214	- ⁵	167,640	-	-	185,336	-	-	6,064,283	1,669,984	3.63
2013	3,923,336	1,541,741	- ⁵	166,863	-	-	119,299	-	-	5,751,239	1,669,984	3.44

CITY OF WINTER SPRINGS, FLORIDA

PLEDGED-REVENUE COVERAGE - CONTINUED

Last Ten Fiscal Years

Fiscal Year Ended Sept 30,	Gross Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
				2004	7,152,358	4,968,307	2,184,051
2005	7,497,904	4,862,108	2,635,796	835,000	1,006,910	1,841,910	1.43
2006	8,257,218	4,888,390	3,368,828	870,000	980,427	1,850,427	1.82
2007	8,084,483	5,163,896	2,920,587	895,000	944,302	1,839,302	1.59
2008	7,415,100	5,365,172	2,049,928	945,000	909,661	1,854,661	1.11
2009	7,376,924	5,298,633	2,078,291	980,000	871,309	1,851,309	1.12
2010	8,104,632	5,868,044	2,236,588	1,035,000	869,614	1,904,614	1.17
2011	8,896,172	5,769,194	3,126,978	945,000 ⁴	749,320	1,694,320	1.85
2012	9,833,455	5,331,369	4,502,086	913,470	487,292	1,400,762	3.21
2013	9,014,167	5,420,125	3,594,042	1,255,278	448,890	1,704,168	2.11

Note

- ¹ Gross revenue is computed per bond resolution requirements, and is equivalent to revenue recognized under generally accepted accounting principles (GAAP). Revenues include investment income and other income.
- ² "Direct operating expense" is computed per bond resolution requirements, and is equal to expenses recognized under GAAP (less interest, depreciation, and amortization expense) losses on disposal of fixed assets, and non-recurring transfers out.
- ³ Data has been restated
- ⁴ Excludes principal paid on refunding
- ⁵ 2001 TLBD debt was refunded, revenue no longer pledged for outstanding debt

CITY OF WINTER SPRINGS, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population ¹</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income ¹</u>	<u>Median Age ¹</u>	<u>Education Level in Years of Formal Schooling ¹</u>	<u>School Enrollment ²</u>	<u>Unemploy- ment Rate ³</u>
2004	32,955	*	*	*	*	7,476	4.6%
2005	33,321	*	*	*	*	7,492	3.8%
2006	34,621	979,428	28,290	39.3	13.97	7,342	3.2%
2007	34,899	971,623	27,841	39.8	13.93	7,115	3.6%
2008	34,639	1,028,951	29,705	40	13.72	6,804	5.0%
2009	34,340	1,053,173	30,669	40.3	13.72	6,754	9.7%
2010	34,149	1,047,589	30,677	41	13.82	6,454	11.8%
2011	33,282	1,161,675	34,904	39.3	14.71	6,316	9.5%
2012	33,599	1,183,558	35,226	36	13.81	6,341	6.8%
2013	33,540	1,104,540	32,932	41.8	*	6,496	5.4%

* Data not available

Note

¹ Source: American Fact Finder; US Census per 7.1.12; DemographicsNow.com

² Source: American Fact Finder; Seminole County Public Schools

³ Source: Bureau of Labor Statistics (may or may not reflect regionally-specific rate)

CITY OF WINTER SPRINGS, FLORIDA

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

Employer	2013 ¹			2004		
	Employees	Rank	Percentage of Total City Employment ²	Employees	Rank	Percentage of Total City Employment
Seminole County School Board	1,390	1	21.73%	*	*	*
City of Winter Springs	202	2	3.16%	272	2	*
Dearborn Electronics	160	3	2.50%	*	*	*
Publix (Winter Springs Town Center)	135	4	2.11%	*	*	*
Tusawilla Country Club	113	5	1.77%	*	*	*
Modern Plumbing	75	6	1.17%	*	*	*
United States Post Office	48	7	0.75%	*	*	*
Longwood Kia / Mitsubishi	42	8	0.66%	*	*	*
The Grove Counseling Center	37	9	0.58%	*	*	*
Dittmer Architectural Aluminum	35	10	0.55%	*	*	*
Total	<u>2,237</u>		<u>34.98%</u>			

Note

* Data Not Available

¹ Per telephone survey of major local businesses and e-mail correspondence

² Per Metro Orlando Economic Development Commission (www.orlandoedc.com), the City of Winter Springs has an estimated daytime working population of 6,398 FTEs as of 2013.

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CITY OF WINTER SPRINGS, FLORIDA

BUDGETED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Full-time Equivalent Employees as of September 30,

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Development Services	8	10	10	10	10	5	5	4	4.46	5.46
General Government	37	41	44	44	44	45	42	41	36.79	37.23
Public Safety:										
Police										
Sworn Officers	64	64	70	70	70	70	70	70	68	70
Civilians ¹	20	20.75	20.75	20.75	20.75	20.75	20.75	20.75	18.45	14.45
Fire ²										
Firefighters and officers	50	50	51	51	51	0	0	0	0	0
Civilians	2	2	2	2	2	0	0	0	0	0
Public Works	23	23	21	21	21	21	20.73	18.73	18	16
Culture and Recreation	21	32.34	33.67	35.78	36.63	34.07	31.86	29.10	25.68	24.07
Utilities	40	42	42	43	45	45	45	42	37	35
Stormwater	7	7	9	9	9	9	9	9	9	9
Total	272	292.09	303.42	306.53	309.38	249.82	244.34	234.58	217.38	211.21
Part-time Employees	23	*	*	*	*	*	*	*	*	*
Part-time FTEs ³	*	11.09	12.42	14.53	15.38	16.32	16.34	17.58	18.38	22.36

Note

* Data not available

¹ Police civilians include emergency communications center operations personnel.

² Municipal Fire Department was consolidated with Seminole County Fire Department on 10/02/08.

³ FTEs - Full-time Equivalent Units; this statistic replaces part-time employee count starting in Fiscal Year 2005 and these units are reflected thereafter.

CITY OF WINTER SPRINGS, FLORIDA

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Auto accidents	508	505	530	444	546	404	345	277	327	396
Physical arrests	627	1,128	1,633	1,582	1,708	1,928	1,347	1,401	1,098	1,141
Criminal investigations conducted	450	591	551	291	357	464	441	544	374	386
Total calls for service	83,290	91,904	107,074	125,789	142,202	133,527	131,587	125,392	116,773	143,763
911 calls received	5,786	6,931	5,174	5,781	5,248	4,937	3,654	3,720	3,665	3,771
Evidence processed (pieces)	2,396	2,068	2,436	1,820	1,721	2,221	1,730	2,215	2,160	1,900
Fire¹										
Public education programs	65	61	53	118	56	N/A	N/A	N/A	N/A	N/A
Number of emergency calls answered	3,426	3,258	3,261	3,338	3,345	N/A	N/A	N/A	N/A	N/A
Medical transports	1,146	1,126	1,159	1,284	1,300	N/A	N/A	N/A	N/A	N/A
Highways and streets										
Streets paved (miles)	0.85	0.00	0.00	0.57	0.00	0.00	2.00	3.38	1.76	2.04
Streets resurfaced (square yards)	44,257	44,945	23,925	35,537	72,400	43,018	36,927	47,622	41,850	39,958
Sidewalks/bike paths built or repaired (feet)	5,371	3,834	4,159	22,112	5,134	4,486	3,980	5,575	4,677	5,622
Culture and recreation										
Games - Baseball/Softball	*	1,502	1,643	1,565	1,468	1,521	1,075	1,259	1,104	998
Games - Basketball	*	652	644	606	599	371	458	606	683	689
Games - Football	*	286	285	298	271	222	222	271	257	209
Games - Soccer	*	1,029	1,010	905	970	1,005	816	856	880	650
Senior Activities	753	899	1,651	1,154	898	1,108	1,071	1,162	1,246	1,523
Civic Center & Pavilion Rentals	245	267	319	379	379	362	430	383	428	429
Program Events	345	312	310	221	205	240	275	340	307	241

Water										
New connections	132	260	279	179	19	13	3	24	100	180
Number of customers	11,903	12,104	12,444	12,514	12,706	12,802	12,749	12,806	12,847	13,254
Water main breaks	6	6	16	13	13	21	12	10	16	18
Average daily consumption (gallons/per capita)	115	108	126	125	115	110	106	114	109	106
Meter reads	*	*	*	171,167	174,604	175,478	171,976	176,001	176,531	177,752
Community Development										
Total permits issued	2,834	4,217	2,805	2,405	2,741	2,808	3,105	3,132	3,243	2,564
Building inspections	16,869	16,669	15,574	9,473	7,278	4,931	4,832	6,032	8,108	9,540
Business tax receipts issued	*	*	*	1,944	1,135	942	1,275	1,384	1,470	891
Land use amendments & rezonings	16	12	4	23	5	9	2	-	-	7
Permits files created/reviews initiated	*	*	*	2,545	3,349	3,408	3,754	2,190	2,427	3,764
General Government										
Personnel actions processed	315	360	332	637	500	609	166	227	375	106
Worker's Comp Injuries	48	47	37	52	51	30	41	44	33	44
Legal notices published	*	*	*	38	41	22	28	16	18	21
Payroll - Checks	1,411	301	275	312	337	220	242	229	210	380
Payroll - Direct Deposit	5,941	7,311	7,524	7,592	7,557	6,210	5,927	5,942	5,767	5,821
Receipts deposited	169,556	182,195	192,439	185,716	202,307	186,401	189,977	153,687	153,762	266,563
A/P checks issued	7,929	7,768	7,914	7,460	7,014	8,829	6,348	6,111	5,651	6,936
Purchase orders/EPO's processed	6,227	5,737	5,412	5,205	4,772	3,930	3,667	3,160	2,720	2,787

Source: Summary of Departmental Reports

Note

* Information not available

¹ Department was consolidated with Seminole County Fire Department effective 10/02/08

CITY OF WINTER SPRINGS, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public safety										
Police:										
Stations	1	1	1	1	1	2	2	2	1	1
Fleet	*	*	75	75	75	79	78	91	83	82
Fire stations ¹	3	3	3	3	3	3	3	3	3	3
Highways and streets										
Streets - paved (miles)	94.11	94.11	94.11	95.32	95.32	95.32	97.32	100.70	99.63	101.16
Streets - unpaved (miles)	6.40	6.40	7.16	6.40	6.40	6.40	4.40	1.02	0.51	0.51
Street lights	1,884	1,901	2,095	2,158	2,158	2,300	2,300	2,311	2,431	2,471
Traffic signals	9	9	10	10	10	10	10	10	10	10
Culture and recreation										
Park acreage	267.70	267.70	267.70	267.70	267.70	267.70	267.70	267.70	267.70	267.70
Parks - Community	5	5	5	6	6	6	6	6	6	6
Parks - Neighborhood	7	7	7	7	7	7	7	7	7	7
Senior Center	1	1	1	1	1	1	1	1	1	1
Community Center	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	155.1	158.9	160.4	161.7	167.6	167.6	167.6	167.8	169.1	171
Fire hydrants	931	964	975	995	1,000	1,000	1,000	1,002	1,019	1,037
Maximum daily capacity (millions of gallons)	12	12	12	12	12	12	12	12	12	12
Deep Wells	7	7	8	8	8	8	8	8	8	8
Sewer										
Sanitary sewers (miles)	105.27	106.97	108.30	108.90	135.50	111.57	111.57	111.6	112.8	114.30
Storm sewers (miles)	*		91.01	91.56	91.56	91.56	91.56	91.59	92.78	94.27
Treatment facility capacity (millions of gallons)	4.212	4.212	4.212	4.212	4.212	4.212	4.212	4.212	42.120	4.212
Current average flow (millions of gallons)	2.285	2.297	2.243	2.209	2.198	2.142	2.100	1.866	2.043	2.358

Note

* Information not available

¹ Seminole County is leasing stations per Consolidation Agreement

OTHER REPORTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the *City of Winter Springs, Florida*, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 13, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the *City of Winter Springs, Florida's* internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of *City of Winter Springs'* internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MCDIRMIT DAVIS & COMPANY, LLC

934 N. MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Compliance and Other Matters

As part of obtaining reasonable assurance about whether *City of Winter Springs'* financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The result of our tests disclosed no instances of noncompliance, or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McDiernit Davis & Company, LLC

March 13, 2014

MANAGEMENT LETTER

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

We have audited the financial statements of the *City of Winter Springs, Florida*, as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated March 13, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated March 13, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no such findings in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the *City of Winter Springs, Florida* complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

MCDIRMIT DAVIS & COMPANY, LLC

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- Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.
- Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City of Winter Springs, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Sections 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City of Winter Springs, Florida for the fiscal ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. We determined that these two reports are in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McDiernit Davis & Company, LLC

March 13, 2014

Honorable Mayor and City Commissioners
City of Winter Springs, Florida

We have audited the financial statements of *City of Winter Springs* as of and for the year ended September 30, 2013, and have issued our report thereon dated March 13, 2014. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 19, 2013, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of *City of Winter Springs* solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

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Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Winter Springs is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, *City of Winter Springs* changed accounting policies related to the adoption of Statement of Governmental Accounting Standards (GASB Statement) No. 62, 63, and 65. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate for the allowance for doubtful accounts is based on historical loss levels, and an analysis of the individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimation for the allowance for depreciation is based on the estimated useful lives of the capital assets. We evaluated the reasonableness of the useful lives as well as the depreciation methods in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Winter Springs's financial statements relate to revenue recognition as described in Note 1.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Winter Springs's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 13, 2014.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with City of Winter Springs , we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Winter Springs's auditors

This report is intended solely for the use of management, the City Council and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

McDiernit Davis & Company, LLC

March 13, 2014

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CITY OF WINTER SPRINGS, FLORIDA

1126 EAST STATE ROAD 434
WINTER SPRINGS, FLORIDA 32708-2799
Telephone (407) 327-1800

January 24, 2014

AFFIDAVIT OF IMPACT FEE COMPLIANCE

Impact Fees are assessed in accordance with Chapter 9: Land Development, Article VIII Impact Fees, of the City of Winter Springs Code of Ordinances. Impact fee collections, expenditures and accounting are provided for in separate accounting funds and comply with Florida Statute 163.31801.

Shawn Boyle
Finance and Administrative Services Director

STATE OF FLORIDA
COUNTY OF SEMINOLE

The foregoing instrument was acknowledged before me this 24th day of JANUARY, 2014, by SHAWN BOYLE.

(Notary Seal)

Gayle Coutant
(Signature of Notary)

GAYLE COUTANT

(Name of Notary Typed, Printed, or Stamped)

Personally Known OR Produced Identification

